

# The NATIONAL UNDERWRITER

Life Insurance Edition

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## A Forward Step!

Beginning January 1, 1938, the Midland Mutual Life will issue all new business on the New Jersey Standard with 3% interest (Company's net cash earnings 4.1% in 1936). While this change will increase the gross premiums slightly, the larger cash values and the higher dividends will furnish lower net premiums and more favorable net cost, despite this Company's enviable dividend history.

The interest rate on policy loans will be reduced from 6% to 5.5% on all policies issued after December 31, 1937.

Chartered in 1905, this Company has received \$60 million from policyowners, has paid back \$33 million and now holds \$27 million for future payments.

*Over \$110,000,000 in force*

**THE MIDLAND MUTUAL LIFE INSURANCE CO.**  
**COLUMBUS, OHIO**

FRIDAY, NOVEMBER 5, 1937



*Doctor?*



*Lawyer?*



*Merchant?*



*Chief?*

Children make a game of counting buttons.

But suppose that your little son really wants to be a doctor or lawyer when he grows up...or study for some other profession...or at least wants to go to college. You will do all you can to help him prepare for his life's work...if you live.

Suppose, however, you were not ready financially when he is ready for

college, or suppose you "were not here" at the time. You want him to have his chance in any event; and you would want your little girl to have the same advantage, because you realize that for the boy or girl who is capable of benefiting from a college education, it is a great handicap, or may even be a tragedy, to be deprived of the opportunity for lack of funds.

It is not too much to say that the

surest way of providing funds, beyond peradventure, for your son's or daughter's education is through an educational policy sufficient to cover necessary expenses.

Perhaps you will be interested in a folder we have prepared showing the average cost of attending each of 105 leading colleges and universities. A copy will gladly be sent to you, without obligation.

*SAFETY IS ALWAYS THE FIRST CONSIDERATION...NOTHING ELSE IS SO IMPORTANT*

## NEW YORK LIFE INSURANCE COMPANY

*A Mutual Company founded on April 12, 1845*

THOMAS A. BUCKNER, *Chairman of the Board* 51 MADISON AVENUE, NEW YORK, N. Y. ALFRED L. AIKEN, *President*



# The NATIONAL UNDERWRITER

Forty-first Year, No. 45

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, NOVEMBER 5, 1937

\$3.00 Per Year, 15 Cents a Copy

## Danger in Policy Options Is Seen by Company Man

Deposit Privilege Subject to Withdrawal May Peril Companies, Benner Says

Use of optional modes of settlement must be kept within reasonable bounds in line with expense, legality and investment considerations, C. L. Benner, vice-president Continental American Life, declared in a talk before the Life Supervisors Association of New York City this week. The companies, he said, do not want to duplicate in experience on the settlement options the disastrous disability results.

He asked if life company assets are not growing rapidly enough merely from increase in policy reserves, and whether it is desirable that companies increase operations in connection with handling funds of beneficiaries so these become so large as to be vulnerable to attacks of demagogues.

### Figures on Growth

The growth in funds held under optional modes of settlement was not rapid until the business depression started, he said. At the end of 1929 the amount so held was only about \$234,000,000. This increased in the next year to \$279,000,000, then at the end of 1931 to \$354,400,000. By the end of 1932 the sum was \$467,900,000 and since then the totals have been: 1933, \$529,800,000; 1934, \$650,189,000; 1935, \$775,991,000; 1936, \$921,240,064. Now, he said, the amount surely is well over \$1,000,000,000, but he expects an even more rapid growth in this direction due to the program method of selling life insurance.

### Situation Fraught with Danger

"A situation fraught with danger is therefore going to be brought about unless this whole problem is carefully analyzed and adequate safeguards set up before these huge sums of money pile in upon us," he said.

Ten to 15 years ago, more life policies were written either providing for lump sum or monthly payments over a term of years, even when settlement options were invoked, the provisions being clear, simple and direct. No effort was made to provide modes of settlement to take care of generations unborn, nor contracts guaranteeing a fixed rate of interest for 40 or 50 years into the future.

### Due to Programming Method

"Today, however," Mr. Benner said, "all that naive method of selling life insurance and simple settlements has changed. The successful, intelligent life underwriter attempts to sell him complete life insurance protection—planned estate." He said this is a more logical method leading to larger sales and to types of insurance best fitted to meet the insurance needs. It helps to reduce

(CONTINUED ON PAGE 27)

## Hand-picked Railroad Bonds Still Favored by Companies

Investors Have Learned Many Lessons from the Depression, Taking Nothing for Granted

NEW YORK—Despite the railroads' troubles first mortgage securities of main line roads and, subject to even more searching scrutiny, branch line securities as well, are still regarded as very acceptable investments by life companies, always, however, on the basis of taking nothing for granted.

Back in the days when no one foresaw the railroads losing a considerable share of their lucrative freight and passenger traffic to the trucks, passenger automobiles and airlines, railroad bonds inspired approximately the same degree of faith among investors as United States government obligations. Life company investment officials are confident that nothing is going to supersede the railroads as long distance carriers of most commodities; however, the depression has shown that even major roads can get into a jam and that cold-blooded analysis should precede any type of investment.

### Main Lines Generally Safe

Main line roads are considered a safe investment in general although there are only three or four roads whose equities or junior bonds a conservative investor would favor. Much attention is being paid to the type of freight traffic with an eye to its probable continuance or improvement and, of course, the possibility that it may decline. Then, there may be some reasons why a railroad's management, though having a good volume of traffic, cannot seem to turn it into the net income it should yield.

"Deferred maintenance" is another item which must be watched, as it is easy to make a good showing if maintenance work which should be promptly taken care of is being postponed. Loss of freight traffic because of commodities being routed over a competing road may affect earnings even where there is no natural cause. For example, the Chesapeake & Ohio suffers because the Koppers interests bought into the Virginian line, a competitor, and naturally route their large and lucrative coal traffic over the Virginian.

On branch lines and secondary roads it is even more necessary to do everything possible to appraise the future. For example, a branch line running to lumbering territory or to mines may become completely worthless if these industries cease to function because of the supply running out or possibly because of labor troubles.

### Cox Criticizes Surplus Tax

LOS ANGELES—"An important factor that is keeping business down and increasing unemployment is the tax on undistributed income," said Guy W. Cox, president of the John Hancock Mutual Life, in commenting on conditions in the west. "Business can't come all the way back if it is prevented from putting its profits back into improvements because of the prohibitive tax on such investments," he said.

## Actuaries Don't Want to Halt Proper Programming

But Objection Is Taken to Growing Complexity of Settlement Arrangements

Considerable interest developed at the meeting of the American Institute of Actuaries in Chicago in the settlement option topic.

F. D. Kineke, Prudential, declared that use of settlement options brings about proper distribution of policy proceeds and there is no intention on the part of the actuaries to limit proper programming of insurance. But objection is rightfully taken to the growing complexity of these arrangements. Because of the low rate of interest and the low mortality of beneficiaries, the question must be scrutinized carefully.

Mr. Kineke related the changes in rules that Prudential adopted last July. The company seeks to keep the options in a simpler form without interfering with sales or programming, he declared. An occasional case may be lost but the company thinks that the rules are good for the business. In time there may be uniformity among the companies.

### Very Few Complaints

The Prudential has faced very few complaints. Some complaint has been encountered because of the rule that gives the beneficiary the right to elect a life income settlement in lieu of a different settlement, but restricts that election to within one year after the assured's death.

When the reasons for this limitation are explained, usually no further correspondence is required, he said.

It is not well to go below 3 percent as the basis for the life income option, he declared, but it may be advisable to use a more stringent mortality table.

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## Seven Insurers Among Twenty Largest Financial Institutions of World

Among the 20 largest financial institutions in the world are seven insurance companies, six of which are domiciled in the United States. Herewith are given the first 20, with a statement of their assets as of Dec. 31, 1936. The assets of British institutions are transposed into dollars by use of the \$5 factor. In all cases the last three ciphers are omitted.

Federal Reserve Bank	\$12,524,693
Reconstruc. Finance Corp.	5,644,101
Metropolitan Life	4,494,702
Bank of France	3,775,418
Bank of England	3,667,860
Prudential	3,367,774
Midland Bank, London	2,663,560
Chase Natl. Bank, N. Y.	2,562,182
New York Life	2,404,236
Lloyds Bank, London	2,325,370
Barclay's Bank, London	2,324,565
Guaranty Trust Co., N. Y.	2,086,979
Westminster Bank, London	2,040,985
Equitable Society	1,984,450
Natl. City Bank, N. Y.	1,904,800
Natl. Prov. Bank, London	1,739,915
Prudential Assur., London	1,579,619
Bank of Amer., San Fran.	1,430,337
Mutual Life of N. Y.	1,308,279
Continental Illinois National Bank, Chicago	1,232,513
Northwestern Mutual Life	1,129,854

## Actuaries Want Gain and Loss Exhibit Abolished

Unanimity Is Lacking, However, in Regard to Related Problems

The more or less related problems of whether and how to revise the annual statement blank, particularly the gain and loss exhibit, and the advisability of employing a mortality table other than the American Experience table for pitching rates and calculating reserves constituted the absorbing interest at the fall meeting of the American Institute of Actuaries in Chicago, not only in the meeting room but in the halls and hotel rooms between sessions.

The proposal to adopt another mortality table was the subject of discussion that will not be reported in the record. This was for the benefit of C. A. Taylor of the Life of Virginia, who is the representative of the American Institute on the committee appointed by G. A. Bowles of Virginia, president National Association of Insurance Commissioners, to ponder the mortality table problem.

### Gain and Loss Exhibit

The heavy artillery was turned on the gain and loss exhibit by those who got up to discuss the magnificent paper on the whole subject of the annual statement blank and life insurance accounting methods that was presented at the last previous meeting of the institute by C. O. Shepherd of the Travelers. Practically all of those that spoke object to the gain and loss exhibit in its present form, but there was no unanimity of opinion as to what should be done about it or how and when the change should be sought. Opinions differed also on whether it is advisable to advocate more fundamental changes throughout the entire blank to make life insurance accounting correspond more nearly to accounting in other fields.

These subjects have come to the fore in American Institute and have crowded out pretty much discussions of investment problems and interest yields that have dominated meetings of the institute for the past several years.

### Informal Discussions Curtailed

So many new papers were presented at the fall meeting and there was so much discussion of papers presented at the previous meeting that the scheduled program of informal discussion could not be completed. Those subjects that were not covered will be held over for the annual meeting.

At the opening session a moving memorial to the late Henry Moir, who was chairman finance committee of United States Life at the time of his death, was given by L. M. Cathles, president North American Reassurance. Mr. Cathles characterized Mr. Moir as "one of the greatest actuaries of all times."

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# Recruiting Men with the Ability to Succeed Discussed by Agency Executives

The panel discussion on recruiting at the joint meeting of the Association of Life Agency Officers and the Sales Research Bureau at Chicago under the chairmanship of Chester O. Fischer, vice-president Massachusetts Mutual Life, proved to be one of the outstanding features of the gathering. Nine leading agency executives reviewed recruiting problems and told of actual methods which they have found successful.

In discussing securing help on recruiting from agents, H. T. Burnett, vice-president in charge of agencies of the Reliance Life, told of the plan followed in building his Pittsburgh agency.

Old agents are entitled to pay for their recruiting efforts and there should be a definite method of compensating each man for bringing in prospective agents, he said. This also serves to give the old agent a feeling of responsibility for the success of the recruit. Twice a year agency meetings were held by Mr. Burnett and the agents were told the type of men desired, how and where to find them and the best sales methods to get them to Mr. Burnett's office for an interview. Mr. Burnett held an occasional series of luncheon meetings, asking each agent to invite a friend who might be interested in life underwriting. The prospective agents were told that only a few men will be selected for an intensive training. Life insurance background and the financial possibilities in life underwriting were reviewed. In a series of four such meetings approximately 70 prospective salesmen were secured and a few good underwriters hired.

Mr. Burnett outlined several other plans. Every two weeks his secretary sent a card to each agent, asking for the name of a prospective agent. Each agent

and his recruits constituted a unit and monthly reports were issued showing the volume of business paid by each unit and number of new agents recruited by the old agent. Mr. Burnett also secured prospects by contacting several offices and asking agents for names of those who should be in the life insurance business, getting suggestions by asking leading questions. The names secured were followed up by telephone and letter. As agency vice-president, Mr. Burnett urges his managers to use the same plan.

## Higher Type, Capable of Doing Job, Being Sought

Wholesale recruiting is impractical, according to F. D. Albritton, Great Southern Life general sales director. Such a plan is expensive, results in too many failures and wastes time. Three years ago the Great Southern adopted the selective plan of recruiting. An analysis showed that a third of the business was produced by 50 agents, a third by 140 agents and the remaining third by 800 agents. It was found that for several years they have been hiring and firing about the same number of agents without making any headway. It was obvious that some men with real sales ability were needed. It was decided to cancel all contracts with agents who had not done any business in the preceding 90 days, to eliminate all agents who continued for a 90-day period without production.

The higher type of man capable of doing a much better job in consistently producing business was sought. Standards were set up and agency men were instructed to seek that type, preferably between ages 26 and 45, married, with

at least a high school education. In securing men, circularization and newspaper advertising were not satisfactory, as they brought quantity but not quality. It was decided to use prominent policyholders in communities where agents were sought as a nucleus in developing prospective agents and centers of influence. Each agency field man kept a file of prospective agents and centers of influence to follow up in the future. The plan was slow but thorough and has been pursued during the past three years. The resultant production has proven very satisfactory, said Mr. Albritton. With 200 less agents than three years ago, the Great Southern is writing \$4,000,000 more business annually and showing a 7 percent better persistency.

## SEEKS YOUNG MEN

W. Carlisle, superintendent of agencies of the Mutual Life of Canada, is especially interested in recruiting younger men and gave his views on the subject. He feels that younger men who are properly trained prove most beneficial in agency ranks. "We like the idea of having men grow up with us," said Mr. Carlisle. "When we recruit younger men we do not feel such a keen sense of responsibility toward them because in most cases they do not have family responsibilities and are not giving up promising jobs to come into life insurance when their success cannot be definitely determined in advance."

An effort is made to get young men immediately after they complete school. Others are recruited from the home office or branch office clerical forces. Young men who are living at home where their

expenses are not heavy are desirable. The Mutual Life of Canada has had much success in hiring young men for clerical positions and developing them into life insurance salesmen. Mr. Carlisle said there was an inclination to develop young recruits into big producers too soon. It takes time to develop these young agents on a sound basis for good future production, he said. The Mutual Life seeks to build a permanent, loyal, efficient agency force and thinks this can be done best by having men grow up with the company, said Mr. Carlisle.

## COLLEGE PLAN TOLD

John H. Leaver, vice-president and superintendent of agencies for the Central Life of Iowa, discussed recruiting of college men. The Central Life divides its agencies into three classes: the "A" class agency building is encouraged. In "B" agencies semi-organization is encouraged, although personal production plays an important part in the general agent's income. The "C" group is composed of small units where personal production on the part of the general agent must predominate. The men in the "C" group are on trial and are advanced to the "A" or "B" groups or ultimately placed in personal production.

Experience has proved definitely that it is a mistake to induct the above-average college men into smaller units or into the "B" and "C" groups, said Mr. Leaver. This caliber of college man soon learns that the general agent himself, who may have spent a number of years in the life insurance business, is really small fry or he would be further along than he is. He learns that the general agent's income is quite modest and his duties arduous. The majority of men inducted into this type of agency do not stick. The college men sought by the Central Life are primarily interested in personal production not as a vocation but rather as a stepping stone into some agency or home office organization where executive work will be the ultimate goal. This is a common characteristic and must be recognized.

Acquiring men for the "A" group is difficult, said Mr. Leaver. It is a long haul proposition and can be made interesting only insofar as the agency training plan for immediate earnings and ultimate executive possibilities can be dangled before the eyes of the novice.

## Salary is Offered Above-Average Men

In approaching college men who are included in the upper brackets in their classes, the Central Life offers to pay \$75 a month with a raise to \$125 over a period of 18 months to two and a half years, with certain production requirements. The best qualified college men are approached by a number of competitive businesses that either have much more to offer for the immediate future or offer more for the long pull than does life insurance. In either case they send better men from the home offices to interview the men they want, said Mr. Leaver. In view of this experience the Central Life is offering a plan whereby young graduates may work through personal production into organization activities. The type of man sought is much more interested in this angle but still is somewhat skeptical and difficult to induct into the business of life insurance selling.

Mr. Leaver said that there is a difference between responses from graduates from outstanding universities and

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AT THE GATHERING IN CHICAGO OF AGENCY OFFICERS AND ACTUARIES:

Top row—J. W. Blunt, vice-president Monarch Life of Massachusetts; E. B. Stevenson, Jr., vice-president National Life & Accident; N. F. De Nezzo, R. B. Coolidge and A. H. Hiatt, Aetna Life. Second row—Raymond Olson, general counsel Mutual Trust Life; J. C. Rietz, vice-president Midland Mutual; E. A. Olson, president Mutual Trust; H. L. Rietz, University of Iowa; Burt Babcock, agency secretary New World Life; Isaac M. Hamilton, president Federal Life.



## Home Office Life Underwriters to Cover Many Topics

**Program Announced for Fall Gathering in New York City Nov. 15-17**

Occupational factors, women and juvenile risks and staff training are among the important topics to be discussed at the fall meeting of the Home Office Life Underwriters Association at the Hotel Roosevelt, New York, Nov. 15-17. Formal talks will be presented at the morning session and the afternoon will be devoted to discussions and a case clinic. The complete program follows:

### Nov. 15—Morning—9:30 o'clock Occupation Committee

Chairman, J. D. Williamson, Canada Life, opening remarks.

"Progress Report Relative to the Occupational Rating List," J. B. Mabon, Sun Life.

"Salt and Some of Its Derivatives," H. F. Gundy, Sun Life.

"Gasoline Recovery from Natural (Casing-Head) Gas," C. F. Barney, American United Life.

Motion Picture: "Petroleum, the Liquid Mineral," courtesy of the U. S. Bureau of Mines.

Luncheon.

### AFTERNOON SESSION—2 O'CLOCK

Chairman, J. H. White, New York Life. Informal discussion.

1. Armored Car Guards: In view of the probable decreasing incidence of armored car holdups may guards be granted a more favorable rating than is the practice at present? Are they comparable to policemen so far as accidents, homicide, grade and health are concerned or do they comprise a more favorable group?—L. E. Ludwig, Penn Mutual.

2. Waiters, Countermen and Soda Water Dispensers: Why do some companies charge a higher rating to those employed in establishments dispensing alcoholic drinks than to those employed where alcoholic drinks are not sold? Is such a procedure justified in the light of the available mortality data, the high turnover, the low wage-scale, etc.?—Harold Davies, Equitable Society.

3. Private Detective Agencies: Should private detectives be given a uniform rating or may they be rated according to their particular duties at time of entry and if the latter, what are the proper subdivisions of their activities and the corresponding ratings? How do they compare with others engaged in law enforcement so far as accident and homicide liability, grade and health are concerned?—W. N. Bagley, Travelers.

4. Miscellaneous Problems: Intended to offer an opportunity to underwriters to present for open discussion any particular problem about which suggestions or information may be desired.

\* \* \*

### NOV. 16—MORNING—9:30 O'CLOCK

Chairman, Harold Larkin, Connecticut Mutual.

Presidential Address: Howard Goodwin, Phoenix Mutual.

Business session.

"Reinsurance Underwriting," Lawrence M. Cathles, North American Reassurance.

"Selection and Training of Home Office Underwriting Personnel," Austin D. Reiley, Mutual Life.

Luncheon.

### AFTERNOON SESSION—2:00 O'CLOCK

Chairman, William H. Dallas, Aetna Life.

Case Clinic, cases compiled by J. G. Late, Aetna Life.

General discussion of cases presented.

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### NOV. 17—MORNING—9:30 O'CLOCK

Chairman, John M. Laird, Connecticut General.

"Comprehensive Underwriting of Women Risks," J. D. Williamson, Canada Life.

"Educating the Agent in Principles of

(CONTINUED ON LAST PAGE)

## Whatley Elected Chairman of Research Bureau Board

**Richardson Is Vice-chairman—Clark Heads Executive Committee—Registration High Mark**

S. T. Whatley, vice-president Aetna Life, was elected board chairman at the Sales Research Bureau's annual meeting in Chicago. R. B. Richardson, ex-



S. T. WHATLEY

ecutive vice-president Montana Life, was elected vice-chairman. Jerome Clark, vice-president of the Union Central Life, was elected chairman of the executive committee.

The following new directors were (CONTINUED ON LAST PAGE)

## Study Persistency of Salary Deduction Line

**Actuaries in Chicago Meeting Disclose Factors in the Allotment Business**

One of the subjects for discussion at the meeting of the American Institute of Actuaries in Chicago was the persistency of salary allotment or salary deduction business.

L. K. Friedman, Great Southern Life, said that the lapse rate in his company on this type of business was high at first, but it became stabilized on the business that has persisted. The expenses were also high at first but they are now reasonable on the business that has persisted.

Another speaker said that in his company the persistency of salary deduction business for persons of income of \$1,800 or less was about equal to that on the regular quarterly premium basis. Above that income level, the persistency was better than the regular annual premium business. If salary deduction is used in firms where most of the salaries are above \$1,800, he concluded, it will prove desirable business.

### High Lapse in Small Cases

J. S. Hale, Northwestern National, said that high lapse ratio has been encountered in small cases. This may be due to the fact that there is a poor selection of risks, poor grade of firms, with poor quality employees. The agent, in order to bring the case up to the minimum requirements, is likely to engage in high pressure tactics and does not make the proper followup.

Since discovering that fact, Northwestern National, he declared, has exercised closer control. The agent is required to submit a preliminary report (CONTINUED ON LAST PAGE)

## Industrial Agents in New York City Well Unionized

**Managers Are Solicitous Over the Militant Attitude of the Salesmen**

NEW YORK—There seems to be much solicitude throughout the Greater New York area among industrial offices owing to the C.I.O. activities. Even business solicitors for insurance publications find the going difficult because of the activities of the unions organized among the agents and assistant managers. In some offices there has been a sit down strike caused by the agents protesting against one of their number being discharged although as far as can be learned there was cause for this action.

### Has Demoralizing Effect

Then the superintendent reports to the home office detailing the conditions. In some cases the managers were overruled by the home office and the men discharged were ordered reinstated. This seemingly has had a demoralizing effect on the organizations, the union agents feeling that they had the backing of the home offices. Some offices are organized 100 percent, the men wearing union buttons and even the assistant managers having them on their coat lapels. Therefore when offices are organized to this extent, the managers hesitate to commit themselves in buying statistical books, publications or other products of the publishing houses which have been freely purchased in years gone by. It is stated that the managers have been instructed not to obligate themselves to any outside agency, at least for the present.

### No Activity Outside New York City

As one gets away from the districts here in New York there is very little unionization going on. Managers here in New York are anxious to ascertain what has been the experience in other cities. They ascertain that the C.I.O. has made very little dent anywhere else except New York City. The C.I.O. has made a demand through the Industrial Insurance Agents Union on the industrial companies to be designated as the sole bargaining medium on part of the agents.

One observer who attended the recent meeting of the C.I.O. to discuss the industrial agents' situation writes as follows:

### Significant Facts Brought Out

"Massing of 5,000 industrial agents under the C.I.O. banner in New York City's first union rally doubtless falls far short of being as significant as the movement's leaders try to make out but it has implications which no realistically-minded observer can ignore. Even after making due allowance for the C.I.O.'s promises of pie in the sky and its high-pressure recruiting methods, the New York mass meeting obviously indicates several significant facts: Many industrial agents feel that they have grievances that only unionization can adequately right; that they stand to gain more than they lose by unionization; that they have sufficient faith in the Wagner industrial relations act and the power of the C.I.O.; that they are not restrained from organizing by fear of incurring their employers' wrath; that they trust the C.I.O. leadership, as they indicated by uproariously pledging themselves to put into action on a moment's notice any plan which their leaders might deem necessary to attain rec-

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## Explore the Premises

One of the sales stories we best like to read is that which tells how the underwriter thoroughly explores the premises, so to speak, of an employer on whom he calls. In the outer office are young men and young women, and older men, and such an underwriter courteously and tactfully gains access to them, very often through the young woman defender of the employer's barricade. Applications result. And when they come from young men, contacts are made which as the years go by change many one-time buyers into patrons, frequently for large amounts, and into centers of influence whose suggestions yield handsome profits. Calling on the employer alone is a waste of opportunity and of precious time.

And in such contacts there should be real salesmanship, that uncovers the need and tells how the company will meet it,—instead of displaying competitive trivialities about dividends, net cost, and similar things that have little to do with life insurance service.

**THE PENN MUTUAL LIFE INSURANCE CO.**

**WM. H. KINGSLEY, President**

**Independence Square**

**PHILADELPHIA**



AT THE CHICAGO MEETINGS OF ACTUARIES AND AGENCY OFFICERS:

Top row (left to right)—William Breiby, vice-president Pacific Mutual Life; W. H. McBride, National Life & Accident, and Ralph Booth, Travelers actuary, Chicago, registering for meeting of actuaries with aid of Miss Elizabeth Ashburner of Institute headquarters; P. C. Irwin, assistant actuary, Equitable Life of Iowa. Second row—R. P. Cox, superintendent of agents California-Western States Life; L. J. Kalmbach, Lincoln National, J. W. Caligan, vice-president New World Life; W. F. Granges, director of agencies, and C. A. Peterson, supervisor of agencies Northwestern National Life. Bottom row—Seth C. H. Taylor, agency supervisor Sun Life; Harry Nelson, agency supervisor Mutual Trust Life; Lester Johnson, vice-president, agency department, Continental Assurance; L. R. Lunoe, superintendent of agencies Mutual Trust.

### Improvement in Replacement Situation Shown in Report

Improvement in the replacement situation is reported by the special committee of the Association of Life Agency Officers representing the 96 companies signing the replacement agreement. There has been a decrease both in number of cases and amount in jeopardy. Reports from various companies indicate a diminishing practice. Because of the many expressions in favor of continuing the replacement committee, the work will be continued. Of the 96 companies signing the agreement, 14 either had no replacement cases or kept no record of them, while five companies did not report. Of the total reporting there were 1,865½ opportunities for replacement offered other companies, amounting to

\$16,033,570. There were 1,896 opportunities received from other companies, of which 755¼ totalling \$8,043,184 were conserved and 1,069¾ totalling \$9,224,635 were lost.

In his report Chairman Frank L. Jones, Equitable Society, quoted a statement from one of the signatory companies citing the moral value of the committee on replacement in improving practices. Another company executive said: "If gradually we can eliminate the parasites, the business will move closely approach the professional character which we desire for it."

The Great Northwest Life of Spokane has become a member of the Federal Home Loan Bank of Portland, Ore.

**How to Win Friends and Influence People**—by Dale Carnegie. \$1.96. Order from The National Underwriter.

### Postal National's Leaders Guests of Their President

NEW YORK—Leading producers of the Postal National Life in New York City and New Jersey were guests at a luncheon given by the president, Mrs. A. B. Jordan in appreciation of their efforts in her honor. September and October were dedicated to a production drive for Mrs. Jordan and the field force produced more than \$700,000 of new business during that time. M. J. Denda, vice-president, was toastmaster.

### Announce Cruise

It was announced that the annual convention for the leading producers will consist of a cruise to Nassau and Bermuda Dec. 16-23, convention sessions being held on board the cruise ship,

### May Restore "Non-Can" Benefits in Eight Years

#### Improvements in Pacific Mutual Status Reported at Los Angeles Hearing

LOS ANGELES—Experience of Pacific Mutual indicates full benefits plus 3½ percent interest will be restored to "non-can" policyholders within eight years. That statement was made by counsel for Pacific Mutual in answer to a question at the first session of the hearing here in the legislative investigation of the California department's handling of the Pacific Mutual case.

A letter from President A. N. Kemp was read stating the number of policyholders is but 5 percent less than in July, 1936, when Commissioner Carpenter took over Pacific Mutual. Insurance in force is only 5 percent less. Lapse ratio for the year ended July 31, 1937, was 6.68 percent; surplus in the participating department increased \$900,000 during the period.

Vice-president Asa V. Call testified 38,000 "non-can" policyholders are paying their premiums. He said \$500,000 of Pacific Mutual funds was advanced to the employees' stock syndicate to bolster the market and is irretrievably lost. Commissioner Carpenter, in his testimony, said Mr. Call uncovered more abuses in the old company than any other person.

### Hobbs Raps Segregation of Assets for Lines Written

Segregation of assets of life insurance companies along different lines of business was sharply criticized by Commissioner Hobbs of Kansas before the annual convention of the Kansas Association of Insurance Agents in Topeka.

The proposed plan of a life company dividing its reserves and assets into three groups, participating, non-participating and accident and health, according to Mr. Hobbs, creates a situation of having three separate companies. The Kansas department, he declared, has declined to approve this plan, even though other departments have done so. Mr. Hobbs stated that an assured is entitled to have all the assets of an insurance company available to pay his claims, and has been taught to rely upon this. Policyholders know nothing about calculation of reserves and they are not interested in segregation of assets. They want protection and the Kansas department is against any plan which will diminish the protection to any policyholder.

### Wood to Pyramid Life

LITTLE ROCK, ARK.—Chalmers R. Wood, agency supervisor of the Sommerville agency of the Penn Mutual Life in Kansas City, has been named as head of the home office agency department of the Pyramid Life of Little Rock.

### Bowen Entertains Aids

Superintendent Bowen of Ohio entertained the members of his department in Columbus Friday evening. The affair served as a farewell for C. C. Beals, chief examiner, who has resigned to become president of the Automobile Mutual Indemnity of New York. He was presented a farewell gift by the members of the examiners force.

"Monarch of Bermuda." Sessions will be conducted by Mrs. Jordan and Mr. Denda.

The Postal National's production has already exceeded the entire year of 1936 and for the first 10 months shows an increase of 34 percent over the same period last year while premiums are up 40 percent. Insurance in force is 22 percent greater than at the end of 1936.



## Report U. S. Administration Retaining Old Age Fund

### Conference in Washington This Week May Result in Scaling Payroll Tax Downward

An important change in the social security act, involving placing the tax increase on a biennial basis rather than yearly as at present, may be made at the next session of Congress as the result of a two-day conference in Washington this week to study proposed modifications, but it seems unlikely that the administration will permit any tinkering with the reserve fund provision.

Observers who have been canvassing the situation in Washington report that although this reserve is actuarially unnecessary and there are many reasons why it should not be continued, apparently it has powerful political significance at this time, since it serves to fund the new deal and very probably is looked upon by the President as an important means of carrying out his promised yearly balancing of the budget.

#### Need Tax Modification

While there are strong reasons, therefore, for continuing the present yearly increase in the tax rate so revenue from this source will be large enough to offset government expenditures, it seems the administration has come to realize that in view of the lull in business and industry, chargeable partly to the depressing effect of the tax outlook, there are sound reasons to modify the tax provision.

The present thought is said to be that putting the tax increase on a biennial basis will continue the present rate for another year, and thus perhaps assist business to get back on its feet.

#### Proposes 2 Percent Levy

Senator Arthur H. Vandenberg of Michigan called for reduction of payroll taxes and the reserve fund provision. He feels that a straight annual tax of 2 percent for old age benefits would be sufficient. Washington dispatches stated that many high government officials hold the same view.

The Treasury Department estimated that by June 30, 1938, \$605,535,000 would have been collected in old age benefit tax.

#### Consider Reserve Requirements

DETROIT—Reserves necessary for pension plans and mortality experienced on large cases and juvenile policies were discussed at the Michigan Actuarial Society's October meeting. L. W. Schleh, consulting actuary, presided.

W. C. Conley presented a review of a paper by R. A. Hohauser on "Reserves for National Old Age Pensions," published in the official organ of the Actuarial Society of America; A. G. Gabriel, general agent Midland Mutual Life, reviewed a paper on state pensions in Great Britain by R. B. Robbins. Walter O'Connell gave statistics on mortality experience on large life cases and on juvenile cases.

Plans for the fall and winter series of monthly meetings were outlined. A gift will be presented to Professor W. O. Menge, formerly of the University of Michigan, who is joining the Lincoln National Life at Fort Wayne. Professor Menge is a charter member of the Michigan Society.

#### Veteran Employees Honored

Nineteen home office employees of the Union Central were inducted into the company's unique "Ue Ce Que Ce Fellowship," an organization of home office workers with the company 25 years or more. President W. Howard Cox, a fellowship member, presented 30-year service emblems to C. H. Dunkhorst, L. M. Robinson, Roberta Gore, E. F. Seurkamp, George Pansiera and Maurice Hopkins, at a meeting of the

group with the board of directors. New members are: Carl Bauer, Mary Distler, Elizabeth Dooley, C. D. Erd, Laura Eyster, R. H. Fischer, C. B. Garrison, Charles Hafner, Fannie E. Heil, Alice LeCount, Ernest Lloyd, Nora Martin, M. W. McIntyre, William Miller, Julia Roberts, Agnes Roll, R. S. Rust, Catherine Sheey and Nettie Sullivan.

L. O. M. A. diploma were presented

to Richard Millard, Herbert Rechel and William Calderine. H. C. Steinbock presided.

#### E. C. Smith Named by Best

E. C. Smith has been appointed manager of promotional and public relation activities by Alfred M. Best Company, New York. He had three years' experience in media and research work with Proctor & Collier advertising

agency, Cincinnati, five years as advertising manager and purchasing agent of the Western & Southern group of fire and casualty companies in that city, and two years with the "Insurance Field" of Louisville in charge of creative advertising and later as secretary. He will be located in the New York offices.

**The Heart Decides**—will show you how to get real results \$1.50. Order from The National Underwriter.

—An advertisement appearing currently in business magazines—

# Proprietors would like Pensions Too!

**ARE** you your own boss — in business for yourself . . . if so, you are not eligible for Social Security old age benefits. It is assumed that you, as a proprietor, will "look out" for yourself. Are you doing it?

The John Hancock Selective Security Policy provides you with a monthly income for life . . . after age 65.

This modern Selective Security Plan is so flexible that it is adaptable to every family need.

While the children are small it provides financial protection; if your wife has to continue without you after the children become self-supporting, she can receive a life income from this policy; and after you reach sixty-five, both you and your wife will enjoy a monthly income which will continue the rest of your lives.

Professional men — all proprietors operating their own businesses for their

own account — these and many others should send for our authoritative booklet. It explains briefly and in non-technical language, the retirement and Social Security problem and how it affects you. It is absolutely free and there is no obligation.



**JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY**  
GUY W. COX, President

DEPARTMENT  
JOHN HANCOCK MUTUAL LIFE INSURANCE CO.  
Boston, Massachusetts

Please send me your booklet, "Selective Security."

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

## Building Management Essential Factor Today

### R. P. Mulvaney Gives Some Points That Are Noticed in the Upkeep of Properties

R. P. Mulvaney, 100 West Monroe street, Chicago, who is an insurance broker and real estate man, also manages buildings, particularly office structures. His organization has on file some 3,000 cards showing the names, amount of space occupied, rent and expiration date of prospective tenants. The representative calls on these tenants long beforehand, showing them desirable space in buildings that the Mulvaney organization represents. During the last two years representatives made over 3,500 contacts and secured 33 new tenants. Mr. Mulvaney points out the fact that management is a very essential function in every business. The well managed enterprises have not failed.

Mr. Mulvaney decries the sideline in various activities. Real estate management, he said, with his organization, is not a side line. Building management, he said, must keep abreast with the

times and be able to advise clients in a thoroughly intelligent way.

It is the duty of the building manager, he says, to attempt to secure tenants whose business is most suitable for the particular location in which the property is situated. Insurance companies often have loans on property, therefore, the question of management is very vital to them. There are often misplaced or misguided improvements. Each improvement, Mr. Mulvaney said, presents a problem of its own.

In office buildings, Mr. Mulvaney says, the upward revision of new leases, although adding only a few dollars per month to each tenant's bill, has resulted in stepping up the price per square foot appreciably. Industrial and loft properties, he said, are beginning to feel the urge of industry to expand and to rearrange its house. The "For Rent" signs that have been very much in evidence are disappearing. Vacant properties are being rehabilitated. Further construction, Mr. Mulvaney said, can be expected to reflect a stronger position of these properties.

Commercial properties have been the first to benefit by the business revival. Mr. Mulvaney said there is no shortage of tenants, but there has been a dearth of stores. The most publicized of rental increases, he asserts, has been that of residential properties. However, he

finds that the income from these structures is still considerably less than what is required to meet actual obligations. Too great an increase in rents on residential properties may result in doubling up of families as was witnessed a few years ago.

Rents of living quarters today are at about the maximum, in keeping with incomes. Mr. Mulvaney declares that this condition will have a tendency to stop construction of new apartment buildings due to the fact that rentals from such could not be obtained that would justify the present day cost. Therefore when all facts are considered he believes it is reasonable to assume that rentals of apartments and residences will not increase to an extent that will force the doubling up of families. Apartment buildings and homes that are rented should enjoy a healthy occupancy for some time to come. These questions are of great interest to insurance companies that are making loans.

### Reopen Loan Office

KANSAS CITY—After a four-year absence, the Equitable Society is reentering the loan field in this territory. W. E. Findeisen, formerly of Chicago, has opened a city loan office for the Equitable in the Federal Reserve Bank building for Missouri, Kansas and Nebraska.

## End of Mortgage Moratoria to Bring Farm Redemptions

### Few Additional Foreclosures Seen Resulting from Lifting of Laws; Need Largely Past

NEW YORK—Expiration of many state moratorium laws on mortgages next year is expected to result in relatively few additional foreclosures in the farm field by life companies. It is regarded as probable that most of the laws which run out in 1938 will not be renewed, since the need has largely disappeared. Many redemptions are expected.

Moratorium laws have not been particularly troublesome to life companies. In some cases life company farm mortgage officials have advised farmers to take advantage of the moratorium. Frequently companies have carried farmers in areas afflicted by drought and poor crops as much as five years even where the farmers were not able to pay anything on interest, principal, or taxes. In such cases, nothing would have been gained by foreclosing. The man who was on the farm would do better or at least no worse than any tenant that might be obtained and it would have been quite impossible to find a purchaser.

In areas not hit by drought, insects, pests, or other special misfortunes, many farmers will probably redeem their farms and the companies will not be forced to foreclose. There will probably be a large percentage of such redemptions in Minnesota, for example, also in northern Iowa and Kansas. The outlook for large sections of Nebraska, on the other hand, is not so favorable. Some states, such as Missouri and Oregon, have never had moratorium laws.

Money spent in fixing up farms has in general proved a good investment. A good tenant or buyer demands a decent abode for his family and adequate barns to protect his live stock.

### Lessons Have Been Learned

Many valuable lessons about farm mortgages have been learned as the result of the years which culminated in the depression. Some problems are old ones which previously did not get full recognition. For example, the danger of setting too high a valuation on farm land is far better appreciated now than ever before. Then there are newer problems, such as water or wind erosion and noxious weeds. These weeds spread rapidly and they cost \$30 to \$50 an acre to clear up. Most states have laws which force land owners to get rid of such pests as bind-weed and creeping jenny, the latter being a sort of wild morning glory. In the southwest Johnson grass and Bermuda grass are problems.

Water erosion is extremely serious as it can ruin good land rapidly. The type of soil has a good deal to do with susceptibility to erosion, round particles resulting in easy erosion while jagged particles resist the work of water. Furthermore, where the particles are jagged, such as in Missouri the soil is likely to be of high fertility down to a considerable depth below the surface soil.

### Dust Storm Hazard

Though the most spectacular pictures of dust storms and damage are those showing high drifts of soil blown on farms, this soil is usually fertile and can be readily worked in future seasons. It is the areas from which the top soil has been blown away that suffer. Nothing is left but the hard subsoil and it takes some time before cultivation and the growing of legumes and other treatments can make fertile land out of it.

The type of people in the locality of a farm and a farm's nearness to a good town are being watched by life company farm loan departments more than ever before. A good town means good farm people in the surrounding territory and the type of man operating a farm has much to do with its success.

# MINNESOTA MUTUAL

Marches on! During the first nine months of this year our gain in Insurance in Force doubled that for the same period last year. A record which is reflected in increasing income to our field force.

## WE OFFER:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular—Juvenile—Women—Group—Payroll Savings, etc.
10. Low Monthly Premiums.

A \$200,000,000.00 Mutual Company, 57 years old with an understanding co-operative Home Office.

**THE MINNESOTA MUTUAL  
LIFE INSURANCE COMPANY**  
SAINT PAUL, MINNESOTA





## Wayne Burns, Sr., Is Elected Head of Reserve Loan Life

**Frank H. Davis Vice-president Under New Setup Involving Stayman-Bellis Stock Transfer**

INDIANAPOLIS — Wayne Burns, Sr., has been elected president of the Reserve Loan Life and Frank H. Davis of Haight, Davis & Haight, becomes first vice-president and treasurer, as a result of a transaction involving the transfer of stock interests held by President Guy L. Stayman and Mrs. Emma A. Bellis, widow of one of the founders. Wayne Burns, Jr., becomes second vice-president and assistant secretary. Harry G. Woodbury continues as secretary and Don H. Carter and Kurt F. Pamtzer are respectively assistant treasurer and general counsel. Elected directors are Messrs. Burns, Sr., Burns, Jr., Davis, Carter and Pamtzer.

Wayne Burns, Sr., has been with the company since 1928 and has been vice-president and treasurer up to the time of his election as president. He was a student in University of Pennsylvania and his early business experience was in New York City with the United States Gauge Company and J. W. Place & Co., bankers. He has given particular attention to the investment portfolio of the Reserve Loan Life.

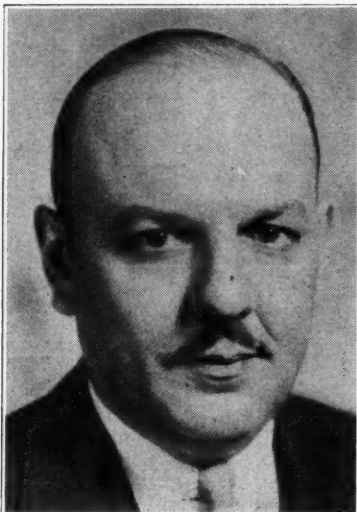
### Davis Experienced Actuary

Frank H. Davis is a graduate of the University of Michigan and was actuary of the American National of Galveston from 1908 to 1916. From 1916 to 1923 he was secretary and actuary of the Merchants Life of Des Moines, and in 1923 severed that connection to join Frank J. Haight and his brother Arthur M. Haight, forming the actuarial firm of Haight, Davis & Haight, with which firm Mr. Davis will continue his connection.

Mr. Woodbury, secretary of the Reserve Loan Life, has been connected with the company since 1898.

The Reserve Loan Life reorganized as a mutual legal reserve life company in 1901, having operated prior thereto under the assessment association laws of Indiana which, up to 1899, was the only plan of operation permissible under the Indiana statutes. In 1909 the company went on a stock basis. Founders of the company were W. K. Bellis, Chalmers Brown and W. R. Zulich, all of whom have passed away. G. L. Stayman, retiring president, is a son-in-law of the late Chalmers Brown and the newly elected president, Wayne

## New Missouri Chief Is Former Life Man



GEORGE A. S. ROBERTSON

The new insurance commissioner of Missouri, George A. S. Robertson, who served as deputy until former Commissioner O'Malley removed him from office, is a former life insurance man, being connected with general agencies in Kansas City and at Marshall. Recently he has been a director of a bank in Columbia. Mr. Robertson served as deputy from 1933 to September, 1936, and then because of differences of opinion between him and Commissioner O'Malley it was felt desirable for him to retire from office. He is well thought of.

Burns, is a son-in-law of the late W. R. Zulich.

Dec. 31, 1936, the Reserve Loan Life had \$55,276,196 insurance in force with \$10,254,028 in assets. In 1936, \$11,992,117 of new business was written and insurance in force gained over \$1,000,000 during the year. The capital is \$200,000 and at the end of last year a net surplus above this figure of \$222,737 was shown, the net reserve being \$9,271,066.

In the opinion of the new officers there is an excellent foundation upon which to build a steadily increasing and profitable business.

Get results by reading *The Heart Decides* by Bertram Brownold. \$1.50. Order from The National Underwriter.

## THE WEEK IN INSURANCE

Most of those actuaries engaging in the discussion at the Chicago meeting of the **American Institute of Actuaries** favor radical revision of the gain and loss exhibit in the annual statement blank. **Page 1**

**Railroad bonds** still favored if up to strict standards. **Page 1**

Objection to complex settlement options but none to proper programming develops at meeting of **American Institute of Actuaries**. **Page 1**

**Dangers in elaborate settlement options** emphasized by Vice-president Benner of Continental American Life at New York supervisors meeting. **Page 1**

Much solicitude is felt among the industrial offices in the New York City area over the **C. I. O. activities**. **Page 3**

Several changes in official lineup of **Reserve Loan Life** are announced. **Page 7**

**R. P. Mulvaney**, building manager in Chicago, points out some of the features of his work. **Page 6**

**Home Office Life Underwriters Association** announces program for Nov. 15-17 meeting. **Page 3**

**Association of Life Insurance Presidents** announces the theme for its annual convention. **Page 10**

**Sales Research Bureau** elects S. T. Whitley, vice-president Aetna Life, chairman of the board. **Page 3**

**Medical directors** conclude meeting in New York. **Page 10**

**New Kansas Underwriters Hand-book**, a reference work of the state, comes from the press of The National Underwriter. **Page 15**

**Elimination of settlement option rights** 12 years ago found no disadvantage by Travelers. **Page 13**

**Redemption of farm properties** seen as result of end of mortgage moratoria in 1938. **Page 6**

**Real estate recovery** found far from uniform in cities. **Page 10**

**Midland Mutual Life** changes to New Jersey standard 3 percent basis on all policies after Jan. 1. **Page 22**

**C. Preston Dawson** discusses 11 points to watch in selling. **Page 31**

## Human Values

This institution deals in human values. It provides protection for families, for industry, for business . . . relieving the suffering caused by destitution . . . mitigating the hopeless losses caused by death and old age.

Understanding of this service and of its importance is reflected in the careful, considerate attention given to the needs, both large and small, of every policyholder . . . and every life insurance underwriter of the company

Amplly capitalized and ably managed, Continental invites your searching analysis of its ability to serve both you and your clientele quickly, efficiently and . . . above all, soundly.

# Continental

## ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

## CONTINENTAL CASUALTY COMPANY



AT THE SESSIONS IN CHICAGO OF THE AGENCY OFFICERS AND ACTUARIES:

Top row—L. W. S. Chapman, Miss E. C. Stevens and Ward Phelps, Research Bureau staff; William Nenner and A. E. Patterson, Penn Mutual; Howard E. Wright and N. F. De Nezzo, Aetna Life. Second row—J. S. Touchstone, insurance broker, Los Angeles; A. A. McFall, vice-president Columbian National Life; O. R. Carter, Chicago, inspector of agencies New York Life; F. P. Samford, president Liberty National Life; H. A. H. Baker, superintendent of agencies, and H. W. Manning,

assistant general manager Great-West Life. Bottom row—Richard Boissard, vice president; Don Clapp, agency secretary, and A. G. Schmedeman, Jr., agency superintendent National Guardian Life; Paul McNamara, vice-president North American Life of Chicago; J. C. Higdon, vice-president Business Men's Assurance, and C. G. Ashbrook, superintendent of agencies North American Life; J. W. Murphy, and H. Clay Dodson, field supervisors ordinary department Life of Virginia.

### Some Life Companies Now Regard Accident and Health Insurance as Life Savers

Some of the companies that are writing health and accident as well as life insurance find that in view of the investment situation requiring large reserves as in life insurance, the accident and health business is something of a life saver. The reserve necessary to be put up for the latter is merely the premium reserve and this runs off at the expiration of the policy.

The accident and health business is therefore one whereby a large premium account can be built up without involving the large reserves of life insurance. Some companies that have not been pushing their health and accident departments are now vigorously engaged in promoting them. They feel that there is a bigger opportunity than ever in health and accident insurance. Furthermore they are educating their men to sell accident and health if they find the life business dull. They desire their agents to keep selling something all the time in order to maintain their morale. Un-

doubtedly there is greater interest in accident and health production among life companies that have such departments than there has been for a long time.

### National Appraisal Forum to Be Held in Washington

WASHINGTON, D. C.—Life men are much interested in the national appraisal forum which is sponsored by the joint committee on real estate appraisal and mortgage analysis to be held in the Mayflower Hotel, Nov. 19-20. Half of the committee are engaged in private business activity and half in the service of three federal agencies. The committee announces that it was organized because of the recognized need for constructive steps which will lead to more accurate real estate valuation and more intelligent decisions relating to mortgage lending policies. One of the committee is E. J. McCormack, former general agent Minnesota Mutual Life at Memphis and later vice-president of the Columbian Mutual Life there. He is now in the government service. The National Association of Insurance Commissioners has appointed a special com-

### Equitable of England Oldest "Legal Reserve" Company

**Question**—Have you anything in your files about the old Equitable Assurance of London? I have seen something to the effect that it is the oldest life insurance company in England and has never employed solicitors.

**Answer**—The Equitable Life Assurance Society is the oldest office in England transacting life insurance on orthodox lines—what is called in this country, legal reserve lines. It was founded in 1762. Life insurance was written in England before that date, but only on the yearly term basis, quite unscientifically and more or less by guesswork. The Equitable Society evolved scientific life insurance based on the mortality table.

The Equitable does not employ agents or pay commission. Its expense ratio is very low—just under 7 percent and its premiums for non-participating insurance well below those of companies

mittee of which Superintendent Bowen of Ohio is chairman, to attempt to work out a formula for appraisals.

employing agents and paying commission. As compared with other offices of the same standing the volume of new insurance written is small—1,283 policies for £1,707,807 last year.

The Equitable employs a comparatively few salaried inspectors, who are in effect canvassers, and uses a large number of circulars by post, following up replies. The society can offer most favorable terms, yet its production is comparatively small. This thus seems to prove the difficulty of selling life insurance without employing agents. To some extent, however, this is offset by the fact that the society for many years deliberately pursued a small new business policy, with a view no doubt to restricting expenses and protecting its bonus record.

### Increases Dividends

NEW YORK—The Continental American Life dividend distribution for 1938 will be approximately 7 percent greater than for this year. The entire dividend scale has been revised in conformity with lowered interest rates. The greatest increase will be on the family income contracts, where the interest factor plays the smallest role.

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## Unique Form of Statement

In view of the fact that so much agitation is being heard these days in favor of revision of the annual statement blanks and particularly the gain and loss exhibit, the practice that a number of Canadian companies are following of issuing consolidated revenue and consolidated surplus account statements for the benefit of policyholders is attracting much interest. One of the companies that made such a departure this year is Confederation Life of Canada. V. R.

Smith, general manager of Confederation Life, in his presidential address before the American Institute of Actuaries meeting in the Edgewater Beach Hotel, Chicago, took up this question. In order to illustrate what he had in mind, Mr. Smith took with him to Chicago several copies of the annual statement in its new form as presented to its policyholders. These forms are presented herewith, the figures being as of Dec. 31, 1936:

### CONSOLIDATED REVENUE STATEMENT

#### REVENUE

Premiums (less reinsurance):	
First year .....	\$ 1,172,396.45
Renewal .....	11,195,820.08
Single .....	1,633,600.49
	<u>\$14,001,817.02</u>
Annuity .....	\$ 1,770,011.79
Supplementary contracts .....	92,127.33
	<u>1,862,139.12</u>
Interest and rents net .....	5,001,059.88
Net profit on securities and exchange .....	732,812.01
	<u>\$21,597,828.03</u>

#### EXPENDITURE

To Policyholders and Beneficiaries:	
Death claims .....	\$ 2,966,085.05
Endowments .....	1,843,113.00
Annuities .....	799,833.25
Disability annuities .....	185,460.40
Surrendered policies .....	3,613,454.72
Supplementary contracts .....	59,175.11
Guaranteed dividends and premium reductions .....	142,899.71
Interest to policyholders and staff savings fund .....	207,910.83
	<u>\$ 9,817,932.07</u>
Agency commissions .....	1,132,189.59
Expenses of management .....	2,034,251.79
Government taxes and license fees .....	246,260.93
Increase in reserve for insurance and annuity contracts .....	5,186,548.00
Surplus earned during year, transferred to consolidated surplus account .....	3,130,645.65
	<u>\$21,597,828.03</u>

### CONSOLIDATED SURPLUS ACCOUNT

#### Balances at Dec. 31, 1935:

Accumulated dividend policies, 1911 class .....	\$ 3,016,611.61
Accumulated dividend policies, prior to 1911 .....	2,020.91
Provision for accrued dividends to policyholders .....	1,325,993.19
Shareholders' surplus .....	61,999.95
Unallotted surplus, participating and non-participating branches .....	3,398,440.13
	<u>\$ 7,805,065.79</u>
Surplus earned during year .....	3,180,645.65
	<u>\$10,985,711.44</u>
Dividends to policyholders .....	\$ 1,861,143.01
Dividends to shareholders .....	40,000.00
Federal income tax .....	9,039.57
Amount written off—bonds and stocks .....	424,639.52
Amount written off—real estate and mortgage investments .....	247,185.79
Depreciation on premises held for company's own use .....	71,694.95

#### Balances at Dec. 31, 1936:

Accumulated dividend policies, 1911 class .....	\$ 2,741,689.72
Accumulated dividend policies, prior to 1911 .....	207.36
Provision for accrued dividends to policyholders .....	1,391,965.24
Shareholders' surplus .....	138,502.12
Unallotted surplus, participating and non-participating branches .....	4,059,644.16
	<u>8,332,008.60</u>
	<u>\$10,985,711.44</u>

### Many Life Companies Now Home Loan Bank Members

There are now 24 life companies which are members of the federal home loan bank system, the large majority of these having just recently joined. Of the 24, 17 are members of the American Life Convention, these being: American National, Galveston; Amicable, Waco, Tex.; Great American, San Antonio, Tex.; Great National, Dallas; Gulf Life, Jacksonville, Fla.; Jefferson Standard, Greensboro, N. C.; Lamar Life, Jackson, Miss.; Liberty National, Birmingham; Life & Casualty, Nashville; Pan-Ameri-

can, New Orleans; Protective, Birmingham; Pilot, Greensboro, N. C.; Provident Life & Accident, Chattanooga; Southeastern Life, Greenville, S. C.; Texas Prudential, Galveston; United Fidelity, Dallas, and United Benefit, Omaha. The others are: Knights Life, Pittsburgh; National Equity, Little Rock, Ark.; Pyramid Life, Little Rock; Southern Life & Health, Birmingham; Western Reserve, San Angelo, Tex., and Gate City Life, Greensboro, N. C.

New improved settlement option slide rule and instruction book. \$1.50. Order from National Underwriter.

Read *The Industrial Salesman*, \$1 a year. 420 E. Fourth Street, Cincinnati.

**W**hat married man hasn't asked "Will I live long enough to provide for my family?" That worry over, another arises, "Will I remain self-supporting to the end of my days?"

The Metropolitan advertisement in the November magazines\* combines these two questions into one—"Your future...how will it 'pan out'?" The illustration shows a prospector sluicing the sands with his copper pan—facing riches perhaps, but possibly facing failure.

Life insurance, as every Field-Man knows, can make the future "pan out with the pure gold of security and happiness." If a man dies young, his family receives the amount he had *planned* to save. If he lives long, his Life Insurance Program will provide funds to help him enjoy his old age.

\*Business Week, Collier's, Cosmopolitan, Forbes, Nation's Business, Saturday Evening Post, Time.



## METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, Chairman of the Board  
Leroy A. Lincoln, President

ONE MADISON AVE., NEW YORK, N. Y.

## Real Estate Recovery Far from Uniform Among Cities

**Agricultural, Labor, and Industrial Situations Vary Widely Among Localities in Which Life Carriers Are Interested**

NEW YORK—Cities are currently showing a good deal of variation in amount of building activity and consequently in demand for mortgage money from life companies. In addition to the amount of building going on life company lending is affected by the amount of local mortgage money available from individual lenders and other institutional lenders.

Detroit, one of the blackest spots during the worst of the depression, has come back in good shape. Sales are up, delinquencies comparatively few and rents on properties still held by life companies are considerably higher. This, of course, reflects the improvement in the automobile business.

### Local Money in Twin Cities

The situation in St. Paul and Minneapolis is not so favorably regarded. Like a good many places in the Middle West, the Twin Cities are mortgage minded and there is much local money available for financing of constructions and home ownership. In addition, business has slowed down some.

Though they are both in the same state, St. Louis and Kansas City present dissimilar mortgage and real estate pictures. Business is slow in Kansas City and sales are few. Somewhat the same situation characterizes Memphis, Tenn. St. Louis, however, is less dependent than Kansas City on the farm situation. It is more of a distribution point and has more freight traffic.

In Seattle the labor organization has the city by the throat. The 30-hour week prevails in practically every industry and this situation makes building so expensive that there is little demand for mortgage money.

### Atlanta Makes Good Showing

In the south, Atlanta is making a good showing. Considerable building is going on, the agricultural situation is improved and in addition Atlanta has grown to be quite a distributing point so that it is not so dependent on agriculture as it used to be. Life companies have divided opinions about Birmingham, however. Some have done well with their mortgages but others steer clear of it because the city depends on one industry—steel—and they believe the possibility of labor trouble makes the future of real estate there uncertain.

In the east, Philadelphia is doing a good deal of building, particularly in the suburbs, and life companies are making a considerable number of loans. Nearly all the housing there is in the lower price range. Blocks of "row houses" characteristic of Philadelphia are being built, since they continue popular in spite of each house being continuous with the dwelling next door and consequently having daylight only from the front and back. Low maintenance cost, particularly for outside services and for heating and the fact that Philadelphians are accustomed to this type of house, causes them to continue salable and rentable.

## Mr. Figgerhound is Featured in Premium Notice Series

"Mr. Figgerhound" is being featured in a series of clever premium notice enclosures by the General American Life. A different cartoon of Mr. Figgerhound is featured on each enclosure and in the copy Mr. Figgerhound worries about past due premiums, whether the protection which the policyholder is carrying

for his family's sake is going to remain in force, about the rapidly passing grace period, etc.

The "Figgerhound" approach with a subtle humorous touch personalizes the premium notice in a friendly way.

"We feel that a life insurance company can be dignified and human at the

same time," said Douglas J. Murphey, advertising manager, "From surveys made from our office we became convinced that the customary financial statement enclosures, or 'messages' on the condition of the company, 'or scare messages of the Don't lapse your policy!' type had outlived their effectiveness. So,

## Discussing Weighty Problems



AT THE MEETING IN CHICAGO OF ACTUARIES AND AGENCY OFFICERS:

Top row (left to right)—H. E. North, San Francisco, vice-president Metropolitan Life, and J. C. Behan, vice-president Massachusetts Mutual. Second row—Howard Oden, vice-president North American Reassurance, and Paul Montgomery, vice-president Southland Life. Third row—I. L. Devoe, manager of agencies Bankers of Nebraska, and Carl Mitcheltree, vice-president Columbus Mutual Life.

## Says Companies Have Unique Opportunity in Cardiology

**Heart Authority Addresses Insurance Medical Directors; Dr. S. B. Scholz, Jr. of Penn Mutual, Elected President**

NEW YORK—Life companies are in a position shared by no other person or institution when it comes to determining what constitutes normal for the human heart as analyzed by the electrocardiograph, Dr. F. N. Wilson, professor of internal medicine at the University of Michigan and one of the country's leading cardiologists, told the Association of Life Insurance Medical Directors here. He pointed out that the heart specialist comes in contact mainly with diseased hearts or those about which some abnormality is suspected and that consequently hasn't the basis on which to set up standards of normality that the life company medical department has.

Dr. Wilson said that medical directors' decisions on the basis of electrocardiograms appeared to him to be sound. During the last half hour of his talk electrocardiograms submitted by the members were shown on the screen for Dr. Wilson's discussion and opinion. Though dealing with a highly technical subject, he had no difficulty in holding the close attention of his audience through his entire talk, which, with the discussion of submitted tracings, ran to two and one-half hours.

### New Officers Elected

Dr. S. B. Scholz, Jr., Penn Mutual, was elected president. Other officers are Dr. H. W. Cook, Northwestern National, first vice-president; Dr. H. M. Frost, New England Mutual, second vice-president; Dr. E. G. Dewis, Prudential, secretary; Dr. J. O. Jimenis, Metropolitan, treasurer, the two latter being reelected; editor of proceedings, Dr. H. E. Ungerleider, Equitable Society.

Members of the executive council are Drs. William Bolt, New York Life; Ross Huston, Bankers Life of Iowa; D. E. W. Wenstrand, Northwestern Mutual; W. E. Thornton, Lincoln National, and D. B. Cragin, Aetna Life.

Other news of the meeting appeared in THE NATIONAL UNDERWRITER for Oct. 29.

### Pearce Young Has Roundup

The Pearce Young agency of Union Central in St. Louis had an all-day agency meeting, the principal speakers being J. R. L. Carrington, actuary; Charles Helle, assistant secretary, and K. D. Hamer, district supervisor, all from the home office.

At the luncheon George B. Logan, a prominent attorney, was the principal speaker, on "Life Insurance Selling from the Layman's Point of View."

### Joe Louis Month Is Conducted

In the Victory Mutual Life of Chicago, the well known Negro institution, October was designated "Joe Louis (Champion) Month." Seven prizes are being awarded. Joe Louis is a director of Victory Mutual. October was set aside as his honor month, the company states, "because of the many fine things he has done for our country, our race and our company."

we developed Mr. Figgerhound. Life insurance is sold by personalities, serviced by personalities, and we saw no reason why premiums couldn't be collected by personalities—even though the personalities in the last case must be fictitious. Though the policyholder realizes that Mr. Figgerhound is fictitious, he also accepts the genial gentleman as representative of the fact that a genuinely personal interest is taken in the standing of his policy."



## Six Tyros Sell \$277,360 First 10 Weeks on Job

NEW YORK—Starting ten new men at the beginning of the toughest month of the year with a quota of \$50,000 each for their first 10 weeks sounds so optimistic as to be almost fantastic. In fact, when Manager Sam P. Davis of the Phoenix Mutual Life in New York City turned these recruits loose on Aug. 1, he was basing his quotas on the example of the rooster who exhibited an ostrich egg in the hen-house as an inspiration to bigger and better efforts. Whatever the reason, Mr. Davis's recruits did vastly better than most new men and came impressively close to making the quota.

Mr. Davis deliberately picked August for the initiation of his new men, believing that if they cut their teeth on the hottest and worst month of the year, they would find the going much more encouraging as the year progressed and would have four good months with a flying start.

### Submitted 93 Applications

During the 10-week period the group submitted 93 applications for a total of \$277,360 despite the fact that by the end of the 10 weeks two men had been forced to leave the business for reasons of health and two others were out because they were unsuited to the business. However, even these four produced a creditable number of applications and business while they were under contract.

The most striking figure is that the average production of the six who continued through the entire 10 weeks and are still going strong is that they accounted for, on the average, \$38,860 of examined and submitted business each, missing the ultra-optimistic \$50,000 quota by \$11,140—certainly a creditable showing in view of the mark aimed at. Nor is this average the result of a few big cases pulling up a mediocre showing on the part of the other agents. Three agents exceeded this average but not by excessively wide margin. One of the three exceeded the quota, getting \$54,900 new business. The other two account for \$48,300 and \$49,000, missing the \$50,000 mark by an eyelash.

### Individual Records Analyzed

Following are the individual records:

Agents	Applications	Submitted Volume
A .....	7	\$ 20,200
B .....	8	36,300
C .....	6	8,000
D .....	10	13,000
E .....	4	3,000
F .....	7	54,900
G .....	12	14,000
H .....	10	30,660
I .....	17	48,300
J .....	12	49,000
	93	\$277,360

Agents C and E are the two who were forced out by considerations of health. Agent C was getting along fine until a recurrence of a war injury put him in the hospital with the prospect of staying there at least several months. The other man, in addition to his poor physical condition would probably have left the business before long anyway because of not finding it to his liking. Mr. Davis plans to give future recruits a physical examination to forestall similar occurrences.

### Why Two Went Out

Agents A and D left before the expiration of the 10-week period, for widely differing reasons. Agent A, a man somewhat older than the group's average age of 34, worked hard and conscientiously, as his record of seven applications for \$20,200 of business indicates. Nevertheless after a thorough trial he felt definitely that he and the life insurance business were not made for each other and after talking it over with Mr. Davis and Supervisor H. F.

Bowes, who had entire charge of training the new men, decided to withdraw and seek more congenial work. The other agent, despite lasting through the 10-week period and submitting 10 applications for \$13,000, lost interest and Mr. Davis terminated his contract. While this man produced an average of an application a week, his average policy of \$1,300 was not an auspicious omen.

Other vital statistics on the group: six were financed, all on a moderate basis and one of the remaining four got financial help when his resources ran low at the end of six weeks. None of the 10 had any life insurance experience whatever except one who had tried the business for a short time five years previously in another city. Agent J was the first man to win the prize offered to the first man in the group who should write \$15,000. He did so on the fourth day. Oddly enough, he was the man whom Mr. Davis had tried to persuade not to come into the business, fearing that because of temporarily heavy home expenses the man would be unable to have his mind free from work and probably would be pressing so hard for results that he would handicap himself. In spite of Mr. Davis's urging that he remain in the job he had for another six months, this man insisted on coming in with the class. Having a full time job, he could not sit in on the two weeks' school beginning the middle of July but came in evenings and went over the work with Mr. Bowes.

### Four Made C. W. P. Grade

Four men of those sticking until the end achieved consecutive weekly production for the entire period, including one man who was temporarily actively engaged in politics. For the entire number of agents and the number of weeks that each was on the job, the average was slightly better than one application per man per week.

While the average case is not large for the entire group, Mr. Davis points out that the large number of applications means that the men got practice in successful closing. The average policy for the group would have been considerably higher if a \$85,000 case submitted several weeks ago had not gone sour. Thus the record at the close of the 10 weeks was not quite so favorable as it was somewhat earlier.

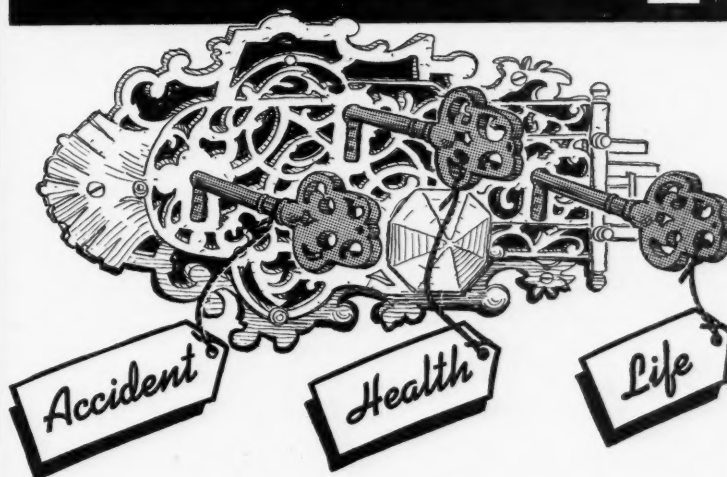
### Sources of Recruits

Most of the recruits were obtained by Mr. Davis through his centers of influence. Two came through other agents in the office and one through the agency cashier. When the group finished its two-weeks course of instruction, Mr. Davis told them frankly that at the end of the next 10 weeks some of them would no longer be in it. He said that those who found themselves unhappy in the business after giving it a fair trial should not continue in it but recognize the situation and resign. Mr. Davis feels confident that the six of the original 10 who remained are happily situated in the life insurance business and are well on their way to a successful career.

Mr. Davis says that much credit for the phenomenal results of the 10 week period should be accorded to Mr. Bowes, who not only had complete charge of training the new men but supervised them constantly during their initiation into the business.

**TAKE BOTH** Life men who write automobile or fire insurance, as well as life, should read The National Underwriter (Fire, Automobile and Casualty Section, \$4 a year), as well as the Life Insurance Edition. Both on one subscription, \$5.50 a year. Send order now to A-1946 Insurance Exchange, Chicago

## IT TAKES ALL 3



## To Open the Door to NEW PROSPECTS

The ancients frequently used 3 key locks to protect their valuables. They must have known that "It Takes all 3" to assure COMPLETE PROTECTION.

Today, too "It Takes All 3." Prospects are being educated to buy their insurance programs for complete protection — yet rarely can one company offer such a plan. Complete Protection means economic independence against all 3 forms of Income Loss—Accident, Health and Life.

BMA has all 3. Little wonder then that BMA salesmen are establishing consecutive gains in sales each month. They have COMPLETE PROTECTION to sell — Life, Accident, Health insurance—which makes it easy for them to open the door to new prospects.

## BUSINESS MEN'S ASSURANCE CO.

Kansas City, Missouri

W. T. Grant, President

J. C. Higdon, Vice-President  
In Charge of Sales

## Salary Experiments Give Factual Working Basis

Since experiments with salaries as a means of financing new agents began several years ago much practical information has come to light that can only be arrived at by experience. In addition to new discoveries, it has been possible to check on the validity of theories concerning the use of salaries.

A prominent company which has been pioneering in this field for several years has analyzed its experience and, while it considers the plan still so much in the experimental stage that it prefers not to have it known as its official system, it has complied with THE NATIONAL UNDERWRITER's request that the information be released and passed on for the guidance of others who are thinking of similar steps.

### Eight Main Conclusions

This company has reached eight principal conclusions which, while not to be taken as final, are based on actual experience:

1. The idea of a salary should not be mentioned to a recruit until he is thoroughly sold on the business of life insurance. Many men are always available who will accept any salaried position. If the prospective recruit believes he is going to get a salary he is likely to give every appearance of being interested in life insurance as a career. It was found that mention of the salary plan in the first interview turns the odds of selecting the right men against the general agent. The best man for financing is one who is definitely sold on the business but finds his present financial condition makes this impossible without aid.

2. Merely financing a man is by no means the entire solution to the problem of making him successful in the business. There must not only be a selection of men with the right qualities but they must have adequate training and adequate direction or they will develop habits which lead to failure. Advances made to an agent who is left mainly to his own devices and receives only a superficial training are highly speculative and almost always result in loss to the general agent.

3. There are only certain types of men

to whom money advances can be made without an unusual chance for loss. First, the proposed advance, together with the man's other immediate resources, should be sufficient for him to meet his normal living expenses. Therefore, those men should be eliminated whose normal earning capacity is so low as to result in their having inferior contacts and also those men who require too high an income to balance their budgets. Exceptions: The young married man whose wife is still working and who provides income which enables them to associate with a higher income group but who is ambitious to make sufficient money to enable her to stop working. Also, the young single man, who by reason of living at home finds only a small actual cash income necessary.

Experience indicated that a general agent can best afford to finance a man less than 35 years old whose normal earning capacity has been from \$2,000 to \$4,000, although he may, because of the future opportunity to earn considerably more, be willing and prepared to get along on a minimum income temporarily. While exceptions could be found to these general ideas, the company feels that in the main it will be costly for the general agent to attempt to finance such exceptional men.

### Must Balance Budget

4. Financing, where the salary paid plus the investment the man himself is prepared to make do not soundly meet his current requirements, is very likely to fail. It was also found that the plan of salary plus a portion of commissions usually fails to work out. It was found better to solve, within reason, a man's entire problem of meeting his minimum expenses rather than doing so only partially through a smaller guarantee plus a share in commissions. Working under the general agent's direction and with the ambition that any new man should have, it is better for him to follow a plan which will relieve his mind of financial worries at least to the extent of minimum living expenses.

5. Well thought-out rules must be laid down and adhered to in order to

avoid loss through playing with "exceptions." Failure to do so almost always results in loss. In the absence of a definite procedure thought out in advance, close personal contact with a man is liable to influence good business judgment. A very reasonable minimum production retirement should be set and if the man does not measure up to that requirement the salary should be discontinued rather than putting more good money into a bad guess.

6. Success of a new man depends greatly on the number and type of his contacts. This point was found extremely important. Most general agents now request new men to submit a list of contacts but do not do enough about the lists. Many times the list of contacts is cluttered up with names of people with whom the new man has no real worthwhile contact. A full discussion of these contacts is one of the most important parts of the interview in which the business is presented to the new man. If contacts are for the most part of a poor type, with little buying power, the chances of putting the new man across are rather remote. If they are merely names with whom he has little or no contact, the general agent's chances of getting him to arrange interviews on a joint work basis are extremely difficult. The new man should have at least 100 class "A" and "B" contacts.

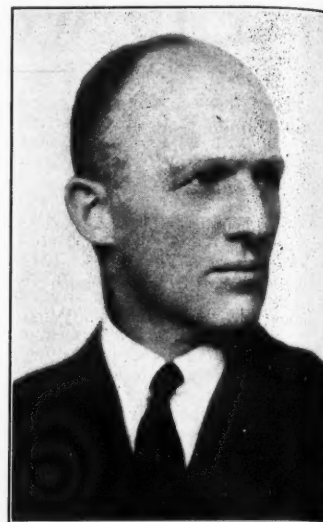
7. In the main, men who eventually come through produce business promptly—certainly in their first month—and then the slow starters represent the eventual losses. Two or more cases in the first 60 days should be an absolute minimum.

### Age Limits Rough Guides

8. Age limits should serve merely as guides. What is wanted are certain qualities and the general agent must be constantly on the alert to find those qualities, rather than merely seeking men between certain ages. However, these desirable qualities are available to a greater extent in men of certain ages. Men below age 25 are likely to have contacts chiefly with young men who are necessarily in the lower income group and have not the ability at the start to approach men at the higher income levels successfully.

On the other hand, men above 37 are likely to be set in their ways and their income requirements are apt to be higher than can safely be financed. If the man 37 or more is not earning at least \$250 a month, this situation is probably a reflection on his ability and should raise

## General Counsel



FRANCIS W. COLE

F. W. Cole, who has been appointed general counsel for the Travelers, is one of the distinguished attorneys in his city. He has been connected with the law firm of Robinson & Robinson since 1908 and has been a member for many years. It has represented a number of the Hartford companies as general counsel.

a question as to his qualifications for life insurance selling. This income would, of course, vary to territory.

White it is undoubtedly true that many men in the life insurance business have had for some time impressions or convictions coinciding with one or more of the foregoing conclusions, it is nevertheless true that the experience of the company in question furnishes valuable concrete evidence in support of these conclusions and justifies their being used as a working basis with considerably more confidence than would otherwise be possible.

## Chances for Success Are Found to Be Better in the Earlier Interviews

A study of sources of business made over a period of 2½ years produced some interesting results for Dwight Sayward, general agent at Portland, Me., for the John Hancock Mutual Life. Of the 230 cases studied, 55 percent were sold within two weeks of the first contact. Only 12 percent were closed after one year. On the first interview, 38 percent of the business was closed; 30 percent came on the second interview; 18 percent on the third, and only 14 percent on all interviews after the third.

"From these results," said Mr. Sayward, "we have concluded that our chances of doing business are greatest on the early interview within a very brief time after the first sales effort. To keep them from wasting their time with stale prospects, our men are encouraged to destroy prospect cards after the first three interviews, save in those exceptional cases where there is some definite reason to the contrary."

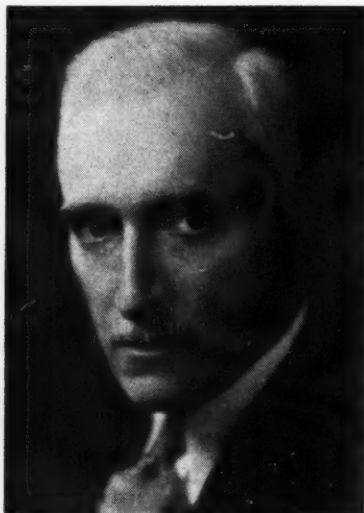
### Program Approach Advocated

R. W. Frank of the State Mutual Life in Chicago is an ardent advocate of the audit and program approach for selling life insurance. The agent should determine the prospect's situation in life, find out his problems that can be met with life insurance, and then prepare a solution, says Mr. Frank. Programming builds prestige and increases the average policy size. It also stimulates referred prospecting.

## NEW DIRECTORS OCCIDENTAL LIFE



V. H. JENKINS



FRANCIS M. HOPE



LEE J. DOUGHERTY

Three men have been elected directors of the Occidental Life of Los Angeles, two of them being officials who have already made their mark with the company. V. H. Jenkins, vice-president in

charge of agencies, was chosen a director as was Francis M. Hope, vice-president and actuary. Lee J. Dougherty, who has been general manager of the Guaranty Life of Davenport, which the

Occidental has taken over, was chosen vice-president and director at the same time the other two were elected to the board. He will have charge of the mid-western department.



## Travelers Finds Lack of "Options" No Disadvantage

HARTFORD — Experience of the Travelers in getting along without any settlement options, as the term is generally understood, is enlightening in view of actions expected from companies generally in the direction of greater conservatism as to future obligations under modes of settlement. Until 12 years ago the Travelers had the same general type of settlement option setup as other companies.

### No Competitive Disadvantage

The reason for the change was exactly the same as that which motivates companies today—a desire to keep control of potential liabilities which might result from widespread exercise of rights under options by policyholders and particularly by beneficiaries. The Travelers was not so much concerned at that time whether the existing method of settlement options was too liberal but wanted to be able to guarantee a higher rate of interest on supplemental agree-

ments than it would consider safe if there were no control over the exercise of these options in the future.

The system has proven no disadvantage to the Travelers, in competition or otherwise. Policyholders purchasing Travelers insurance were offered settlement agreements on a basis comparable with other companies and the fact that the specified interest rate was on a guaranteed rather than "as earned" basis has been a valuable sales point.

Furthermore, it has been and still is customary for the Travelers to give policyholders and beneficiaries the choice of the same options that are open to new purchasers of insurance. The point is that the company is free from obligation to comply with these requests. With the exception of the relatively small amount of potential liability under business written more than 12 years ago, the Travelers knows exactly what its future commitments are under supplemental agreements.

higher prices they have to pay for products made by other unionized workers.

"Even supposing that stockholders got no return on their capital and executives took nothing for their services, the workers so far outnumber the capitalist and executive groups that the resulting increases in pay would probably fall short of being enough to pay the union dues and assessments of the workers. This consideration might not apply if the unions coupled with their demands any proposal to increase the efficiency of the worker. On the contrary, every indication is toward lessened efficiency. It is a sad truth that most men are as lazy as they dare to be. With managerial discipline stayed by the Wagner act and the unions' threats of interference, it seems fantastic to suppose that workers are going to become vastly more productive just because they have more security in their jobs. Yet if they don't, the only answer to higher wage demands by the unions is higher living costs which will offset any apparent

benefits. Money wages may be higher but if costs are higher too—and quite likely disproportionately higher—the manual workers and white-collar employees may wonder what they were so enthusiastic about back in 1937."

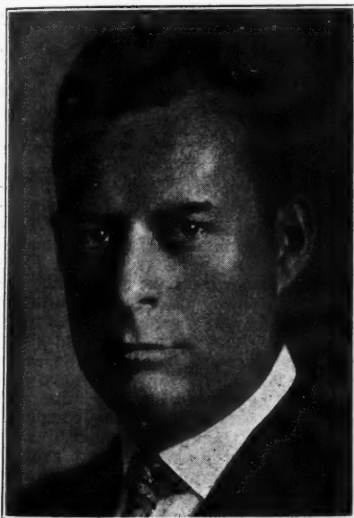
### Mortgage Cover Possibilities

Mortgage cancellation insurance is a fertile field, as 85 percent of the homes acquired today are mortgaged. By an expenditure of 1 to 2 percent additional, a man can insure the title of his home to his family in the event of his death.

### Make Old Men Happy

Few men can be happy without money. Most men have nothing saved at retirement age unless they have a plan. If other plans work, why is it that 87 percent of all funds left in estates are life insurance proceeds? Will the next young man you meet want to be an unhappy old man?—Chester R. Jones, Massachusetts Mutual, Chicago.

### General Agent Displays Ancient Collection



STRATFORD LEE MORTON

An unusually interesting collection of early lighting devices dating back to antiquity, owned by Stratford Lee Morton, general agent Connecticut Mutual Life, St. Louis, is on display at the Union Electric Light & Power Company of Missouri, in that city. The exhibition depicting the evolution of lighting will continue about one month.

The oldest object in the collection is an early Babylonian lamp from the excavation at Nippur, which place was destroyed 5000 B. C. The collection includes ancient Egyptian, Persian and Roman lamps with many quaint and ingenious lamps of the 17th, 18th and 19th centuries of European and American origin.

Among some of the items of local interest is an early candle lantern used by one of the pioneer French families of St. Louis, a large iron Betty lamp belonging to the family of Daniel Boone, and an early wooden trammel from which hung a Betty lamp which belonged to the Sappington family, from which Sappington road of that city gets its name. There are about 500 pieces in the collection.

Get results by reading **The Heart Decides** by Bertram Brownold. \$1.50. Order from The National Underwriter.

### Industrial Agents in New York City Well Unionized

(CONTINUED FROM PAGE 3)

ognition of the union by the companies.

"Less obvious is the extent to which the organized industrial agents are swayed by the spread of unionization among their industrial policyholders and the C.I.O.'s threats that agents on the debit are going to get no welcome from policyholders who march under the union standard. This is probably the argument that has brought competent agents into the C.I.O. along with those who are skating on such thin ice that they might well fear discharge without a union to stand between them and the operation of the law of survival.

"It is when the C.I.O. leaders talk about the wholesale unionization of industrial insurance buyers that they give the show away and cause skeptics to wonder how it is possible for workers to advance themselves by taking in each other's wash. Admittedly a union, under fair leadership, can do much to give workers a greater sense of security by stepping in where management is actually guilty of unfairness in discharging a man or otherwise inflicting undeserved hardship. That such cases are few in comparison with the extent of industry does not lessen the tragedy and bitterness of injustice in the industrial machine.

### Where Is the Source of Supply?

"But when a union tries to organize all the nation's industrial workers and white-collar employees on the promise of material improvement in income through unionization, anyone not warmed by the beautiful glow of union enthusiasm must wonder where all these extra benefits are to come from. It is as if a life company were to propose paying each class of policyholder—ordinary life, limited payment, endowment, etc.—a disproportionately large share of dividends without much idea of where the money would come from except for vague talk about cutting stockholders' dividends and executives' salaries. Even if stockholders got no dividends and executives worked for next to nothing the essential fact is that their number is so small that such a cut would affect insurance costs only minutely. The same applies to the situation of industrial workers generally. Even if the unions were to wax sufficiently strong to enforce all their wage demands, the bill must in the end be paid by the workers themselves in the

## SERVICE COMPELS CONFIDENCE

Business institutions which maintain their original identity through the years must deserve the patronage which makes their survival possible.

Growth is but the reflection of service accepted at its face value because it is faithfully rendered.

The GREAT SOUTHERN owes its prestige to its unflinching acceptance of the privilege of protection.

We need more GREAT SOUTHERNERS!



## Great Southern Life Insurance Company

E. P. Greenwood, President

Home Office - Houston, Texas

## Agency Officers, Actuaries Snapped



Top row (left to right)—L. S. Morrison, Research Bureau staff; Karl Gumm, assistant superintendent of agencies, and L. P. Brigham, superintendent of agencies National Life of Vermont; W. C. Schuppel, vice-president Oregon Mutual Life. Second row—J. H. Evans, vice-president Ohio National Life; W. A. Jenkins, Teachers Insurance & Annuity; F. J. McDiarmid, and S. C. Kattell, Lincoln National. Third row—R. J. Weichel, assistant actuary, and R. Merriman, vice-president Scranton Life; R. E. Irish, vice-president Union Mutual Life of Maine, and C. F. Cross, Lincoln National. Bottom row—F. J. Jordan, actuary Franklin Life; A. E. Statius, Guardian Life; E. C. Berkeley, Prudential; W. M. Morris, State Life of Indiana; L. M. Cathles, president North American Reassurance.

## Recruiting Men with Ability to Produce Is Discussed

(CONTINUED FROM PAGE 2)

from small colleges and normal schools. The type of men who might be interested in teaching school or similar jobs are often better prospects. They do not expect so much glamor as the men from the larger universities because their school activities are not of that type.

The Central Life is also recruiting young men under college age. A plan has been developed for bringing high school graduates into the organization for a period of two years with a salary of \$65 a month, \$30 of which is kept for them by the company at 3 percent interest. Over a two-year period \$720 is accumulated and at the end of that time the young man is encouraged to go to college, using the money accumulated, plus \$400 provided by the Central Life, in financing himself for two years. If he does not go to college the money is returned to him. While the young men are going to college they are given vacation employment.

The first group under this plan entered college this fall, so that the ultimate results are not known. It is hoped to thoroughly "Central Life-ize" these boys. They will be assisted in selecting the proper courses at college and it is hoped to ultimately bring them into the organization on a permanent basis. Some of the boys have been selected to follow the actuarial end, while others have been picked particularly for agency department work. A real interest in agency department work and life insurance selling can be developed during the four years' association with the organization. Although it is a long process, a number of loyal and capable men can be developed who will play an efficient and important part in the permanent organization, said Mr. Leaver.

## PENN MUTUAL STUDY

The Penn Mutual made an interesting analysis of all full time men having at least two years of college training brought into the organization from Jan. 1, 1936, to July 1, 1937. Up to age 24, men with no business training of any type do much less effective work than those with some business experience, said Wallis Boileau, Jr., second vice-president Penn Mutual, who commented on the results. Men with some selling experience are better than those whose business experience has not included selling. In the 24 to 29 age group of men with some business experience before entering life insurance it was found that those whose business experience did not include selling made substantially better records than those who had done some selling. The reason for this conflicting fact is hard to determine. In the group from 30 to 39 there was practically no difference in the results obtained by those with selling experience and those without it. Selling experience showed an advantage in the age group of 40 and up. In all four groups those of 25 to 29 had the best general average. The study included only men who survived the period. Of those who had their contracts canceled during the first year, men with previous selling experience considerably outnumbered the others, probably due to their being more quickly able to size up their own situations and shortcomings, said Mr. Boileau.

## College Background Results in Better Production

It was found that agents with college background uniformly show better average production. Mr. Boileau's conclusions indicate that the man fresh out of college does not do so well as a man of similar age who has had other business experience before entering life insurance. The man who has had some business outside training and has not passed age 30 seems likely to be the best material for life insurance work. Beyond

## "Ask Me Another" Role Goes to the Librarians

NEW YORK—Not the least important function of a home office librarian is digging out the answers to questions put by officials and agents. Some of these questions can be answered readily. To some no answer can be found even after resort to every conceivable source of information.

Company libraries reflect to a considerable degree current conditions. There were many queries during the depression, for new developments were numerous. There was the gold question, the railroad retirement act, social security. Sometimes the librarian gets a blanket order to assemble everything that appears on a certain subject, for example hospitalization plans.

Most of the questions come from the home office but agents are making more and more use of the home office record library facilities, by mail or in person. Agents want to know about taxes, inflation, devaluation of the dollar, the effect of inflation on life insurance in France and Germany, developments in connection with savings bank life insurance, pension trusts and a large amount of information on rates, dividends, cash values and general data about competing companies.

age 30 the effect of a college education may be expected to be a diminishing influence, he said. College graduates are not easy to recruit, said Mr. Boileau. Advertising has shown little value in recruiting them. They do not voluntarily come into the business—they must be sought out.

In recruiting college men the Phoenix Mutual Life is developing a broad background among college authorities regarding the general life insurance picture. The program was explained by Maurice R. Perry, agency assistant. Visits were made to 14 eastern colleges, including three graduate schools of business. The general life insurance picture and the advantages offered by the Phoenix Mutual were discussed with the college authorities and definite arrangements made for a return visit to interview men. On the return visit group meetings were held if possible. General information about life insurance was presented and considerable time was given to explaining the company's method of training salesmen. High pressure recruiting tactics were avoided. Individual appointments were made after the general meeting to get reactions, clear up any misunderstandings and build up a further favorable impression on life insurance selling as a desirable vocation. In cases where there was genuine interest, the men were referred to the branch office managers in cities in which they expected to live after graduation. This was followed up with friendly letters by those who showed promise and invitations to visit branch offices or the home office were confirmed. Courtesies extended by the college authorities were acknowledged.

## Had to Be Convinced of Genuine Opportunities

The college placement offices were reticent in offering cooperation, said Mr. Perry. Both the students and placement officers had to be convinced of the genuine opportunities available to the right kind of men in life insurance.

It was found that the smaller colleges were better prospects because the placement officers knew the students better and were able to make recommendations intelligently. Constant contact with placement officers is going to be maintained through the use of mailing pieces, general company literature and occasional personal correspondence during the entire school year.

It is important that the college men be given a thorough training and proper supervision in order to establish successful life underwriters. Unless this is done,



future recruiting from college men will be seriously affected, said Mr. Perry.

The problem of recruiting agents who will have a good chance to succeed was also considered by the panel discussion. The experience of the Liberty National Life with rating charts was told by J. D. McSpadden, agency supervisor. In order to check excessive agency turnover it was decided to use rating charts and the ones available were studied. None of them gave exactly the information which the Liberty National Life wanted and so a chart was devised with weights and factors adapted to the company's requirements. A rating chart was applied to every agent who had been with the company for at least 90 days in addition to a group of 100 canceled agents. The findings were rather amazing. With almost unerring accuracy the agents with best production records had the highest grades. Fair producers were next best and so on down the scale. Important factors in such rating are income which a man has earned, his resources, life insurance owned and all previous occupations. It was found that men with other life insurance experience are not generally suitable for agency material as they are usually shopping for advances and a fat commission contract. Adjustment has to be made for the territory in which the prospective agent resides.

The use of the rating chart has improved the relationship between the agency department and the general agents. Formerly it was frequently necessary for the home office to decline an application for contract. Now the general agent takes care of that with the use of the chart, said Mr. McSpadden.

#### Guardian Life Program Told By Weidenborner

The experience of the Guardian Life, which has used the rating chart since 1931, was told by F. F. Weidenborner, Jr., superintendent of agencies. The rating chart has been revised to increase the penalty on older men. Younger men are given more favorable consideration, with increased requirements if they are married, in sound financial condition or have previous experience.

The experience under the charting method shows that men with qualifications are making a better showing than ever before and men with inadequate qualifications make a poor showing. The chart does not tell the whole story, said Mr. Weidenborner, as there are men who fail even though they have satisfactory ratings. Consideration of character and habits must be given, as well as personality and appearance. In using the chart, complete records and results must be analyzed regularly and thoroughly to give agency officers and managers factual evidence to support the selection policy and to determine the actual experience value of various factors disclosed by the chart's relative weight.

W. F. Winterble, director of agencies of the Bankers Life of Iowa, started using the rating plan in 1934. In addition, an inspection report is secured covering domestic life, past income, assets, credit rating and the organizations of which he is a member. The Bankers Life chart has been modified reducing the penalty on ages 23 and 24 and increasing the penalty for ages 50 and over.

In considering the difference between young and older recruits, Mr. Winterble said young men have their life ahead of them and are optimistic about the future. Their obligations and responsibilities are not as great as the older men who must work fast to accumulate an estate or recoup what they have lost.

Mr. Fischer's interesting comments in the panel discussion were published last week.

#### Opens New Office in N. Y.

NEW YORK—The Travelers has opened a new office at 225 Broadway here, naming as manager F. O. Graf, recently assistant manager of one of its Boston offices.

### Underwriters Hand-Book for Kansas Contains Much Valuable State Information

The Underwriters Hand-Book of Kansas is issued by THE NATIONAL UNDERWRITER. This is the 14th edition of this work, which was first published in 1912. In the early days it was combined with the data for Nebraska and came out every two years.

The compilers report a slight increase in the number of agents licenses received this year the total being 29,358 as compared with 27,940 last year and 27,207 in 1935. The increases are largest among the agents of stock casualty and mutual hail companies.

#### List of All Agents

The new Kansas book gives the complete list of all agents arranged alphabetically by towns, showing the companies represented, date established, members of the firm and other business transacted, if any. Besides this is given the complete list of companies licensed together with full data on each company. Many companies are thus shown about which little if any data is elsewhere available as they are small and operate only locally.

With the publication of this book is first available the records of what the companies did in 1936 as the state report has not as yet been published. The compilers secured the data by going to the departmental records. The stock fire companies in 1936 had premiums of \$9,765,522 compared with \$8,536,059 in 1935 and losses of \$4,098,868 compared with \$3,369,797 the previous year; mutual fire companies had premiums of \$1,063,017 compared with \$860,376 in 1936 and losses of \$389,663 as against \$231,791 previously. The casualty companies reported \$8,574,218 and paid out \$3,221,838 as compared with \$7,870,783 and \$3,678,525 in 1936. Life insurance shows paid for of \$194,162,683 and insurance in force of \$1,044,003,060. The figures for 1935 were \$157,506,473 and \$990,368,332.

There is included a resume of the insurance laws of the state, lists of field men of fire and casualty companies and general agents and managers of life companies cross-indexed alphabetically for easy reference, town classification as to fire protection, lists of local insurance organizations together with their officers, addresses, etc. This book is invaluable to one interested in insurance in Kansas.

## C.L.U. NEWS

#### MOVEMENT SPREADS IN SOUTH

The C. L. U. movement is now spreading in the south, said Prof. J. P. Williams, educational counsellor American College of Life Underwriters, in an address in Montgomery, Ala.

Among southern universities and colleges cooperating in the movement, he said, are L. S. U., Georgia Tech, University of Florida, Miami University, Loyola, University of North Carolina, University of Tennessee, Southwestern College and Vanderbilt.

#### ATLANTA STUDY GROUP

The Atlanta, Ga., C. L. U. study group started its meetings Tuesday of this week at 5 p. m. in the assembly room of the chamber of commerce. Meetings will be held each Tuesday thereafter for 30 weeks.

#### CARY, RICHMOND PRESIDENT

John B. Cary, Northwestern Mutual, has been elected president of the Richmond, Va., C. L. U. D. C. Little, Connecticut Mutual, and L. I. Held, Northwestern Mutual, were elected vice-president and secretary-treasurer respectively. Committee chairmen were named as follows: W. R. Gardner, Atlantic Life, education; H. R. Hill, Life of Virginia, program; R. G. Richards, Atlantic Life, membership and publicity.

## RECORDS

**Home Life, N. Y.**—October was the tenth consecutive plus month. A "plus month" is one in which the paid volume exceeds the figure for the same month in the previous year. To date, 1937 is showing the most successive number of plus months of any year since 1933 when the "plus month" campaign began. Every month since January has been a larger month than the corresponding month of 1936. October business was 4.7 percent ahead of October of last year, and for the year to date the company is showing a 17.9 percent increase.

**Pilot Life**—Through September there was a \$9,858,000 gain in insurance in force, increase of over \$1,000,000 a month for the year to date. That figure represents an increase of 31 percent over

the gain for the same period last year. The total gain last year was \$10,362,234. During November and December, the Pilot will sponsor its annual agency tournament contest.

**Ohio National Life**—It reached a new all-time high production record during October with \$5,180,000 of new business, gain 24 percent over October, 1936. October also marked the eighth consecutive month during which the company showed an appreciable gain over the preceding year. This large volume was the result of a special campaign staged in honor of the birth month of President T. W. Appleby, which also marked his 23rd year of association with the company.

#### Racine Agent Identified

Through a misunderstanding the Underwriters Hand-Book of Wisconsin for 1937 lists in the town of Racine under Old Line Life of Wisconsin the agent of Continental Assurance on page 425.



—Ewing Galloway

## Bringing Group Insurance Up to Date

Replacing income lost through sickness, accidental injury, death, and old age is the objective both of enlightened management and of social legislation. The Connecticut General recommends the following group insurance benefits:

Instead of a lump sum payment, a reasonable death benefit plus monthly income providing support for the family for a year or two or even longer.

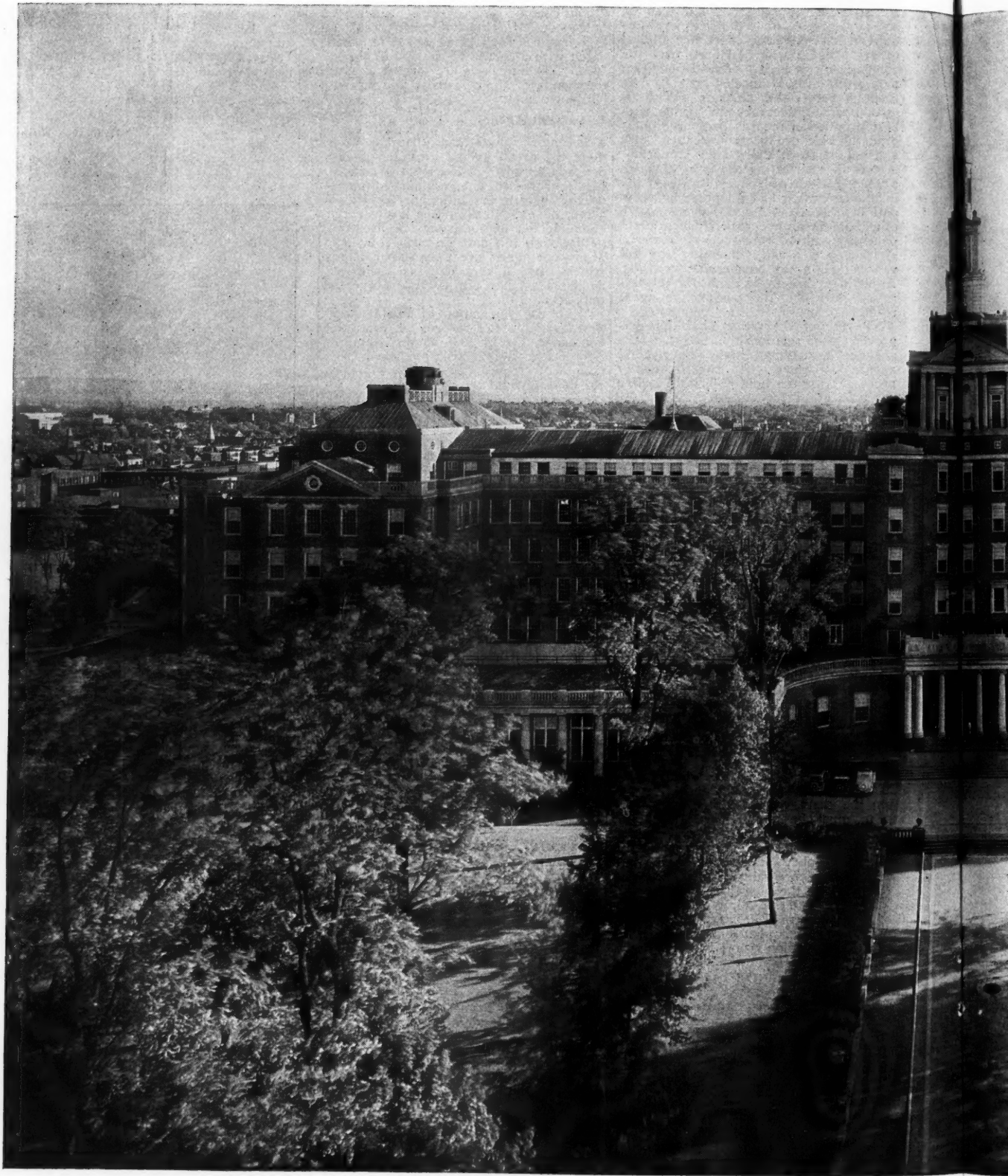
Weekly benefits for sickness and accidental injuries not covered by compensation insurance — 90% of all disability.

Group retirement annuities, supplementing Social Security benefits, with amount of benefit adapted to concern's requirements.

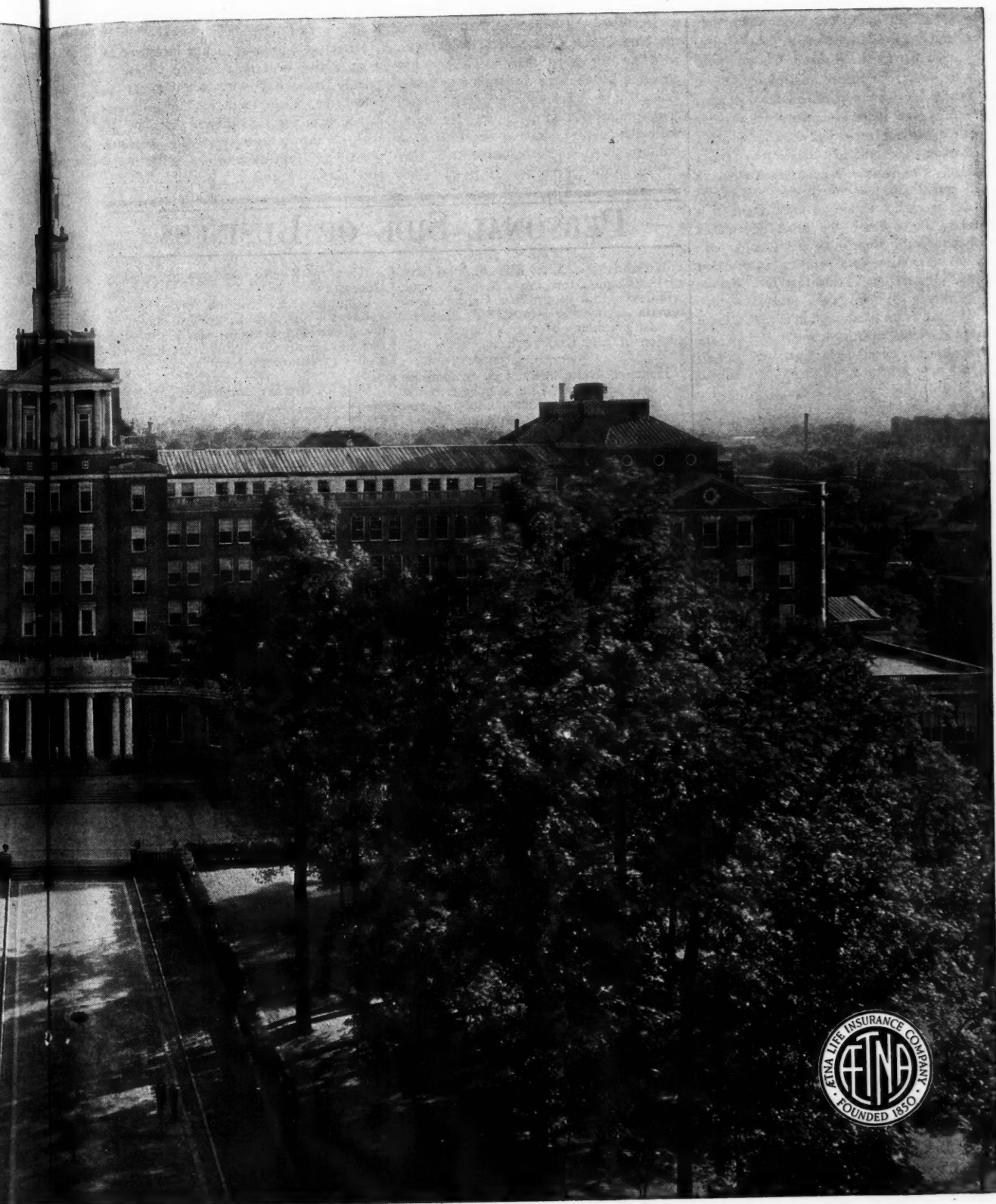
Employees, now accustomed to deductions for small Social Security benefits, welcome a chance to insure their pay against the income-destroying hazards — death, disability and old age.

For information regarding any form of group insurance, call our local office.

**Connecticut General**  
**Life Insurance Company**  
Hartford, Conn.







## EDITORIAL COMMENT

### Getting Men of Caliber in Insurance

D. GORDON HUNTER, vice-president of the PHOENIX MUTUAL Life in charge of production, in a remarkable address before the AGENCY SECTION of the AMERICAN LIFE CONVENTION told of the course that had been pursued by his company in improving both agency and business quality. The PHOENIX MUTUAL has been outstanding in its accomplishments during the last few years and hence it has been the center of study on part of all interested in progress and improvement.

One big thing that the PHOENIX MUTUAL has accomplished is the establishment of its training school that it started whereby men are educated along practical lines to become managers when there is a vacancy. The company, therefore, is not obliged to go out of its ranks to secure a manager. In fact, it has talent already trained and schooled along the lines that it desires. These men start as soliciting agents, getting well broken in along salesmanship lines, and then are made supervisors, working in different cities.

The PHOENIX MUTUAL is exceedingly careful of the men that it selects for this training school. It pays them a good

salary. These supervisors and managers give their entire time to helping the field men who are out getting business. They do not compete with these men. They have been brought up to the point where they understand well just what to do.

Mr. HUNTER stated that if life insurance is to secure the proper kind of men to be trained for higher positions then it must realize that it is competing with other enterprises for these individuals. It must offer and pay sufficient salaries to attract them. Life insurance deserves in its work highminded men of intelligence and promise. It cannot expect to draw them to it unless they secure the same advantages that they can from other institutions.

Another point of a practical nature that Mr. HUNTER made was that in a change in agency system, using the PHOENIX MUTUAL as an example, for instance, there should be no drastic action. Any departure should be made in a gradual way so that the structure will not be shaken. There should not be wholesale changes. Steps should be made cautiously and tests should be inaugurated in favorable points before a general program is announced.

### Making the Audience Work

THE NEW YORK CITY LIFE UNDERWRITERS ASSOCIATION's plan of making the audience do the talking at its approaching sales congress deserves watching. A justifiable criticism of the average sales congress—though not one that has interfered with the popularity of this institution—is that the audience's role is essentially a passive one. With eager expectations of getting something he can make use of in his future selling, the agent sits in rapt attention in the grand ballroom while a stream of sales ideas, inspiration and sometimes amusement sweeps over him from the platform. Some of this undoubtedly sticks and the agent is a better salesman and perhaps a better man for it. The process may or may not be one that stimulates thinking. What the New

YORK CITY ASSOCIATION proposes to do should certainly produce plenty of mental activity among members of the audience. Much of the time they will be on the spot or liable at any moment to be put there by the inquisitor on the platform. Portable microphones will put all on a level so far as vocal ability is concerned. But the ideas will have to be there and they will have to be good ones. If they are not, the chairman will call on somebody else to get a better answer. The session may keep away a few timid souls who might be afraid of being called on but it should prove stimulating to those who do attend and undoubtedly the novelty of the idea will draw many more than are kept away from the session by reason of "mike fright."

### Watching the Trends in Farm Mortgages

AN OFFICIAL of a life company who has given special attention to farm mortgages believes that some of the companies are making a grave mistake in not analyzing farm conditions more closely. He states that some are valuing farms too high and are taking loans at too low an interest yield. He contrasts the situation with that of 40 years ago. In his opinion the soil itself, regardless of what had been done

to fertilize it, has depreciated 30 percent. Therefore, companies must take this into consideration. The values for good land are higher than 40 years ago but the obsolescence of the soil must be taken into consideration.

He regards the farm naturally as one of the essential factors in producing food. Therefore, the farm mortgage will always be of value. A company on a 3½ percent

reserve basis cannot profitably, in his opinion, accept farm mortgages at 4½ percent. By so doing the net yield will go below the legal reserve obligation. There is danger, in his mind, of companies not analyzing the situation and taking mort-

gages based on values that are too high or at an interest yield that is too low.

The farm mortgage field is a fruitful one for development but it is one that requires vigilant attention and frequent review.

### Wholesome Executive in Life Insurance

E. A. OLSON, president of the MUTUAL TRUST LIFE of Chicago, who becomes chairman of the executive committee of the LIFE AGENCY OFFICERS ASSOCIATION, is a favorite with that body. He has appeared before it in times gone by. Mr. OLSON is a wholesome, natural, robust, conscientious type of executive. He represents the highest ideals of trusteeship in life insurance. There are no frills or furbelows on this executive. He is plain but

broadminded and highminded. His company reflects the stalwart character of its head.

Mr. OLSON believes in life insurance as a protective arm to the family. He is greatly concerned with what might be called the "main tent" of life insurance rather than the side shows. Men of the type of E. A. OLSON give the public a greater and firmer confidence in life insurance as an institution.

## PERSONAL SIDE OF BUSINESS

Mr. and Mrs. O. A. Eliason, who have spent the past few months in St. Paul, will leave this month for California to remain during the winter. Mr. Eliason is past president of the National Association of Life Underwriters.

Henry Stevens, district representative of the Ohio State Life attached to the Toledo office, has just completed 200 consecutive weeks of production, part of which time he was confined to his home by illness. He has been made a member of the Ohio State Life Honor Club.

John M. Kingsley, son of the late President D. P. Kingsley of the New York Life, has been made assistant to the treasurer of the Security Fire of New Haven, East & West Fire and Connecticut Indemnity, all affiliated. He is a Yale graduate of 1926 and also took the Harvard School of Business Administration course. He was connected in the past with a New York banking firm. He served as assistant manager of the bond department of the New York Life in 1935 until the present.

Walker Mason, manager Connecticut General Life, Providence, R. I., is chairman of the group solicitation division in the 1937 Providence-Cranston Community Fund campaign.

Karl E. Madden, general agent Penn Mutual Life, Davenport, Ia., has been named general chairman of the Iowa state Hi-Y assembly and older boys' conference which will be held there Nov. 12-13.

Judge C. T. Warner, former Ohio superintendent and widely known insurance attorney, is very ill at his home in Columbus. He was stricken following a party which Superintendent Bowen gave Saturday night for members of the department.

John J. Holmes, Montana commissioner, stopped in Chicago en route to his home from a trip in Ireland, where he was born. Mr. Holmes stopped to chat with John Boyle, general agent Minnesota Mutual Life, Chicago, another son of Erin who had just returned from

a visit with his mother in County Donegal.

Commissioner Holmes formerly was a Great Falls, Mont., general agent of the Minnesota Mutual. On his way to Ireland he attended the American Legion convention in New York.

John D. Cramer, Indiana deputy commissioner, is back at his desk after two weeks absence. What he had planned to be a normal vacation turned out to be an enforced absence, as he was taken ill at the start of his vacation and his appearance at the office Monday was his first venture away from his home after he was stricken.

A. A. Heald, Detroit manager for the Bankers Life of Des Moines, formerly of Milwaukee, has been elected president of the Detroit chapter of the Wisconsin Alumni Association.

W. A. White, New Jersey state agent for the John Hancock Mutual Life, with headquarters in Newark, has started on his 35th year of service. Mr. White entered general insurance in Florida in 1885. Several years later he joined the New York Life and then was transferred to Washington, D. C., where he was district manager for several years. In October, 1903, he joined the John Hancock Mutual Life and remained for two years in Washington. He was then transferred to Newark and made state agent.

E. S. Villmoare, vice-president Kansas City Life, who has been ill for several weeks in a hospital, has returned to his home.

Oscar Swineford, 70, formerly general agent in Richmond, Va., of the Reliance Life, died at his home there. His father, Howard Swineford, was for some years general agent at Richmond for the Mutual Life of New York. Mr. Swineford retired from active work several years ago.

The Cosmopolitan Club of Oklahoma City has elected Stewart E. Myers vice-president and Byran Bowers on the board of governors. Mr. Bowers is general agent Home Life, is now president of the Oklahoma General Agents &

## THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Ass't. Man. Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

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Subscription Price \$3.00 a year in United States and Canada. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



Managers Club and a director of the Oklahoma Association of Life Underwriters. Mr. Myers, special agent for the same company, is vice-president of the Oklahoma association.

**R. G. Chapman**, 65, Texas general agent of the State Life of Indiana, died in Dallas after a week's illness. He had been with the State Life there since 1914.

**O. Sam Cummings**, president National Association of Life Underwriters, topped over in Chicago this week on a speaking tour of the country to confer with H. T. Wright, Equitable Society, National trustee.

When **Joseph C. Behan**, vice-president of the Massachusetts Mutual, went to the rostrum last week to preside over the annual meeting of the Association of Life Agency Officers at the Edgewater Beach Hotel, Chicago, he was confronted with a beautiful bouquet on the desk. Charles L. Scott, general agent of the company at Kansas City, had telegraphed Managing Director W. M. Dewey of the hotel to purchase a bouquet and attach a card stating that it was a gift from Mr. and Mrs. Scott.

After attending the Agency Officers convention in Chicago, **Ray P. Cox**, vice-president California-Western States Life, headed back to Sacramento via Oklahoma City, Dallas, Houston, San Antonio and Los Angeles, making agency visits. Ernie Guttersen, inspector of agencies, also attended the Chicago convention and is now visiting agencies at Billings, Mont., Spokane and Portland.

**Frank W. Krout** has been elected president of the Veterans Club of Mutual Benefit Life.

President **T. W. Appleby** of the Ohio National was honored in his birth-month with the largest production ever attained in one month by fieldmen, 2,501 applications for \$5,229,202, approximately \$600,000 above any previous record. The record was achieved despite the slump in the stock market which occurred during the month. The company has experienced one record breaking month after another.

**Charles L. Scott** of Kansas City, manager Massachusetts Mutual Life, who has been a trustee of the American College of Life Underwriters since it started, and has been active in association work, both locally and nationally, has been appointed on the national executive committee to represent his association.

**John W. Yates**, California state agent Massachusetts Mutual Life and trustee of National Association of Life Underwriters, left Los Angeles this week for New York City, where he will spend some time at headquarters of the National association and then going to Springfield, Mass., to attend a meeting at his home office of general agents. Mr. Yates will continue his trip to Detroit, his old home, where he will spend two days, then going to Omaha, where he will address a luncheon-meeting of the Omaha association Nov. 15. In the evening he will discuss problems of general agents and managers at a special

#### HOME OFFICE AGENCY SEC'Y

Competent man experienced in handling office detail of agency department wanted by mid-western life insurance company. State age, experience, salary desired, and references.

ADDRESS G-52 NATIONAL UNDERWRITER

**Pave the Way**—An accident policy sale is the easiest way to get acquainted with your prospect and pave the way for other lines. For suggestions that sell read *The Accident & Health Review*, A-1946 Insurance Exchange, Chicago. Sample 10c.

meeting, and then leave immediately for California, stopping in San Francisco for a two days' visit.

**Inman Roberts** of the home office agency of the Amicable Life of Waco, 1931, has a perfect record of membership in the App-a-Week Club, having produced more than one application for the 312 weeks, as of Sept. 1, 1937, with the exception of 14 weeks. He specializes in salary savings insurance and has in force more than \$1,600,000.

**David O. Johnson**, Minnesota Mutual Life general agent, San Antonio, Tex., inactive the past four years because of the Malta fever, is now devoting a part of each day to work and hopes that before long he can find himself fully recovered. He wishes to reassure his friends who were under a misapprehension that he was no longer present that while the David Johnson of San Antonio, who died several weeks ago was his personal friend, it was not David O. Johnson who passed on.

## COMPANY MEN

### Metropolitan Names Bethel Assistant Superintendent

**Clarence W. Bethel**, Darby, Pa., manager of the Metropolitan Life, has been appointed assistant superintendent of agencies in the great eastern territory under L. J. Zettler, superintendent of agencies. Mr. Bethel joined the Metropolitan as an agent at West Palm Beach, Fla., in 1928, and the following year was made assistant manager in Jacksonville. From 1932 to 1934 he served as agency supervisor in the former Keystone territory. Since 1934 he has been manager at Darby.

### Life of Virginia Promotions

**C. T. Rogerson**, formerly supervisor of districts in Georgia, Alabama and Louisiana for the Life of Virginia, has been named an assistant secretary. **H. P. Anderson, Jr.**, has been named general supervisor of districts. He was formerly supervisor of Division 2, embracing Maryland, West Virginia, Kentucky, Indiana, Michigan, Ohio and the District of Columbia, and will now supervise the company's entire district organization.

### Three New Occidental Directors

**SAN FRANCISCO**—The Occidental Life of California has increased its board of directors from nine to 12 members. The new directors are: **Francis M. Hope**, vice-president and actuary; **V. H. Jenkins**, vice-president in charge of agency production, and **Lee J. Dougherty**, vice-president in charge of mid-western activities, with headquarters in Davenport, Ia. **W. F. Meiburg** of the Davenport office was named assistant secretary.

### R. T. Crew Succeeds Knapp

**Robert T. Crew**, vice-president and trust officer of Ohio National Bank, Columbus, has been appointed a member of the executive committee of Ohio State Life to succeed **Frank A. Knapp**, vice-president and chairman executive committee, who died a few days ago. Selection of a vice-president and director will be made at the annual meeting in January. The executive committee will organize at a meeting Nov. 12. Mr. Crew is a former Ohio superintendent of insurance.

### New Union Mutual Director

**W. N. Campbell** was elected a director of Union Mutual Life. He is president and treasurer of the Goodall Worsted Company, Sanford, Me.

**J. T. Bass**, 76, agent at Richmond, Va., for the Life of Virginia for 47 years, died there. He was a brother of S. B. Bass, associate manager for the Richmond district.

## VIEWED FROM NEW YORK

By R. B. MITCHELL

### MYRICK OCTOBER BUSINESS

Paid business of the J. S. Myrick agency of the Mutual Life in New York City for October was \$1,428,084 as compared with \$2,035,879. For the year total paid business was \$20,922,323 as compared with \$18,773,384.

### LIFE PRESIDENTS' MEETING

The Association of Life Insurance Presidents announces that at the forthcoming annual convention at the Waldorf Astoria, New York City, Dec. 2-3, the theme will be "The Response of Life Insurance to American Needs." Commissioner G. A. Bowles of Virginia, president of the National Association of Insurance Commissioners, will address the convention. Elucidating the theme

of the convention, Manager V. P. Whittitt says:

"Life insurance is in the forefront of the agencies which are assisting in meeting vital needs of Americans. Its policyholders approximate one-half the population and its benefits extend to millions of others. In addition to its primary purpose of providing financial safeguards for dependents of insured persons, its other worth-while uses are manifold. Through it, children are educated, homes protected, business equities preserved and old age secured. On the investment side, its funds foster industry and agriculture and aid in financing government. It is an institution of proven reliability, both in the darkness of depression and in the sunlight of prosperity."



## CLOCKS STOP—TIME, NEVER

Tell your prospect just what delay in insuring his life might mean.

Heavier premiums, possibility of future ineligibility, likelihood that a need for the benefits will arise while he is waiting. These are the hazards he risks.

Urge him to sign now!

Years are swift!



**The Prudential Insurance Company of America**

EDWARD D. DUFFIELD, President

Home Office, NEWARK, N. J.

## AS SEEN FROM CHICAGO

### MOSER EXPLAINS NEW CODE

H. S. Moser, chairman of the insurance committee, Chicago Bar Association, and of the committee on annotating the Illinois insurance code, addressed the student body of John Marshall Law School in Chicago this week on the new code. Roy L. Davis, assistant insurance director, was introduced.

### ROYER HAS A PLUS AGENCY

The J. M. Royer agency of the Penn Mutual Life in Chicago has scored the 10th consecutive plus month. Mr. Royer took over the A. E. Patterson agency last January when Mr. Patterson was called to the home office as agency vice-president. To increase the business each month following so remarkable a leader is a real achievement. October showed a 14 percent increase.

### GROUP MAN TO CHICAGO

F. H. Shuler has been assigned by the Aetna Life to the Chicago general agency of R. S. Edwards as home office group and pension representative associated with Manager W. A. Van Dyck

of the group department. Mr. Shuler goes from Washington where he was group manager. He has been with the Aetna nine years, starting at Raleigh, N. C., then going to Memphis, Tenn., as group department manager. The change constitutes a promotion for Mr. Shuler and adds to the Chicago group facilities.

### V. V. MOORE CONDUCTS CLASS

Vaughn V. Moore, who recently joined Reliance Mutual Life of Chicago as home office general agent, is now conducting a life insurance course for 22 new men. Until recently he was agency manager for Bankers National Life in Newark and before that conducted educational meetings for life insurance general agencies in eastern cities.

### HOLD STEAK AND BEANS DINNER

A steak and beans dinner was held by the Chicago Aetna Life agency of General Agent R. S. Edwards at Joliet, Ill., ending a six weeks contest, the office being divided into two teams. Arthur Hicks, leading producer of Joliet,

and Rudolph Le Boy, a leading agent in Chicago, were team leaders. The contest was on a point basis. Mr. LeBoy's team lost and was limited to beans, but came within 10 points of tying. General Agent Edwards and Assistant General Agent R. J. Curry headed the group of 47 attending the affair.

### LIFE COMPANY STOCK QUOTATIONS

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade building, Chicago, gives the following quotations on the stock of life companies:

	Par	Div.	Bid	Asked
Aetna Life	10	.60	24	25 1/2
Amer. Life, Ala.	5	...	4	...
Bank. Nat. Life	10	1.00	27	31
Cent. Life, Ill.	1	...	9	...
Cent. Life, Ill.	1	...	9	...
Cent. States Life	5	...	3	...
Columbian Nat.	100	4.00	80	90
Commonw. Life	10	.15	17	19
Conn. Gen. Life	10	.80	28	30
Cont. Assurance	10	2.00	31	33
Cont. Am. Life	10	1.20	31	33
Farm. & Traders	100	12.00	210	225
Fed. Life, Chgo.	10	...	8	...
Girard Life	10	.40	11	13
Great Nor. Life	10	...	4	...
Great South. Life	10	2.50	18	23
Kan. City Life	100	16.00	425	475
Life & Cas., Tenn.	2	...	9	11
Life of Va.	20	3.00	73	80
Lincoln National	10	1.20	22	24
Mo. State Life	10	...	1	2
Natl. Life & Ac.	10	1.60	56	61
New World Life	10	.40	5	6
Northw. National	5	.60	11	12
North Amer.	2	...	3	4
Ohio National	10	1.00	24	28
Ohio State Life	10	1.00	22	26
Old Line Life	10	.60	11	12 1/2
Old Rep. Credit	1	.05	3/4	1 1/4
Pacific Mutual	1	...	2 1/4	3 1/4
Pan Amer. Life	10	.50	16	19
Peoples Life, Ind.	10	.60	20	...
Philadelphia Life	10	...	4	5
Prot. Life, Ala.	10	.60	14	...
Prov. Life, N. D.	10	.80	11	...
Rockford Life	10	...	4	8
Sun Life, Can.	100	...	450	500
Travelers	100	16.00	415	425
Union Central	20	.80	23	...
Wisconsin Natl.	10	.50	16	18

G. W. Greer has joined the Parsons agency of the Mutual Benefit Life in Chicago. He was formerly district manager in Galesburg, Ill., for the Mutual Benefit. He has been at the home office studying on estate creation and distribution problems. Mr. Greer is a director of the Illinois Life Underwriters Association and a past president of the Galesburg association.

## MANAGERS ASSOCIATION

### N. J. General Agents' Seminar

Plans have been made by the Life Insurance General Agents & Managers Association of Northern New Jersey for a one-day seminar in Newark Nov. 9. Dr. Verne Steward will be the speaker. A dinner will precede the seminar.

### Cleveland Supervisors to Meet

The Supervisors Group of the Cleveland Life Underwriters Association will meet Nov. 8. Don Hanson, Aetna Life, will be the discussion leader.

### Jamison Cleveland Speaker

John H. Jamison, Life Insurance Sales Research Bureau, Hartford, addressed the Cleveland Life Insurance Executives Club.

### Rockwell Talks on Recruiting

Dr. C. J. Rockwell, University of Southern California, spoke at the luncheon-meeting of the Life Insurance Managers Association of Los Angeles on "Recruiting." He stressed the desirability of securing younger men. The general agent should not wait until the end of the college year to approach college men as prospective agents in the sale of life insurance, he said. The desirability and importance of increasing the membership of the Life Underwriters Association of Los Angeles was discussed by W. J. Stoessel, chairman of the membership committee, and also by J. H. Cowles, president California State Association of Life Underwriters. The membership is now 455 and a determined effort will be made to increase it to 500

## Brokerage Manager



R. J. CLANCY

R. J. Clancy, former successful Travelers agent in Chicago, Nov. 15 will become manager of the brokerage department for E. E. Lamb, Chicago general agent of Columbia National Life. Mr. Clancy since April has headed the life department of Starkweather & Shepley, general insurance office of Chicago.

by the end of the year. The active co-operation of managers and general agents was enlisted.

## COAST

### Form Brokerage Firm

LOS ANGELES—S. Y. Newcomb, formerly with the Northington agency of Connecticut Mutual Life, H. B. Keeling and A. E. Lovett, formerly with the Saul agency of John Hancock Mutual Life, have formed the general insurance brokerage firm of Newcomb, Keeling & Lovett, with offices in the Security Title Insurance building.

### Cashiers Start Research Work

The Life Agency Cashiers Association of San Francisco has appointed a special research committee with C. W. Toon, Union Central Life, and V. G. Benedict, Lincoln National Life, as joint chairmen, to gather and correlate facts and information on matters of mutual interest to aid in the development of uniform practices among life company offices. One of the first tasks is to work to bring about uniform rules regarding the closing of offices on holidays. Another is the development of a brochure on office routine and another on the California law relating to bank checks.

At the last dinner meeting, J. H. Rordan, president San Francisco Bar Association, discussed the California community property law.

### California Agent Cited

Commissioner Carpenter has cited Lester E. Merman, agent for the People's Life of Indiana at Oakland, Calif., to appear Nov. 8 to show cause why his license should not be revoked. A number of charges have been filed against Merman and a preliminary hearing last week resulted in the citation to show cause.

### Minnesota Non-medical Ruling

Policies issued without medical examination are subject to avoidance only if statements in application were wilfully false or intentionally misleading, the Minnesota supreme court ruled in affirming a verdict against the Palladium National Life.

## Juvenile Policies in Three Attractive Forms

**E**XTENDING State Life Service to children, ages one day to nine years, State Life Juvenile policies are offered in three forms . . . Twenty Payment Life offers protection at low rate . . . Twenty Year Endowment provides savings-with-protection . . . Endowment at Age 18 assures educational funds . . . "Applicant Insurance" on life of parent provides for completion of plan in event of death or total and permanent disability of adult applicant . . . State Life "Juveniles" afford complete service, splendid approach to parents, and open way to Apps for varied needs . . . Agency Opportunities for those qualified.

SERVICE • STRENGTH • SECURITY

THE  
**STATE LIFE**  
INSURANCE COMPANY

Indianapolis  
Indiana

1894 • PURELY MUTUAL • 1937



## LIFE AGENCY CHANGES

### Dent Made Alabama Manager

**Equitable Society Man Is Installed in Office at Birmingham by Vice-president Welch**

Capt. E. E. Dent has been appointed agency manager for Alabama, with headquarters at Birmingham by the Equitable Society. He replaces John B. Stratford who died recently.

The new manager was installed in office by Second Vice President V. S. Welch of Chicago at a luncheon Monday.

Captain Dent, at one time a major league baseball pitcher, joined the Equitable Jan. 1, 1924, and was promoted to



CAPT. E. E. DENT

unit manager at Baltimore Jan. 1, 1926. He has been one of the leading agents for years on the basis of personal production and his Baltimore unit led all of the units in the southern department for three years.

### Was Professional Ball Player

Prior to the war he made professional baseball his career. In 1912 he set what has been called a record of being the property of three major and one minor league clubs in a single playing season. The Brooklyn Dodgers sold his contract to Newark in the International League where he was drafted by the New York Yankees and traded to the Washington Senators. While pitching for Atlanta in 1913, he won ten straight games to lead his team in winning the pennant from Mobile.

He was commissioned a first lieutenant in the field artillery, later being promoted to captain. He served 18 months in France including six months in the army of occupation.

He was born in St. Marys county, Md., Dec. 8, 1887, and was educated at Charlotte Hall Military Academy, founded by the Dent family in 1774 and said to be the oldest military school in the United States. Both his father, Col. John M. Dent, a lawyer and former editor of the Newnan, Ga. "Herald," and his wife's father, Capt. R. M. Freeman, fought for the confederacy.

### Takes on American United

L. L. Williams, Detroit general agent of the Inter-Ocean Casualty, has been appointed general agent of the American United Life of Indianapolis and has opened offices for the life company adjoining his present offices at 1032 Lafayette building.

Mr. Williams has been general agent of the Inter-Ocean Casualty since May, 1937. Before that he was manager for the Illinois Bankers Life in Chicago for some years.

R. L. Hesse, general agent Lincoln National Life, Madison, Wis., has been named chairman of the Dane County Red Cross Roll Call membership drive.

**Be Kind to Yourself** by Vash Young. \$1.50. Order from National Underwriter.

### Phoenix Mutual Promotions

**Number of Changes Are Announced in the Managerial Ranks, All Being Company Trained**

In line with its long-established policy, the Phoenix Mutual Life announces eight promotions of men within its own ranks to managerial positions of greater responsibility and broader opportunity. The list follows:

Jay L. Lee, formerly manager of the Buffalo agency, has been advanced to be manager in Detroit. He is a graduate of Notre Dame where he was a well-known football star. He joined the Phoenix Mutual in 1925 and has been manager at Buffalo since 1926.

J. G. Anwyl, formerly manager at Springfield, Mass., will succeed Mr. Lee at Buffalo. Previous to his appointment in Springfield, Mr. Anwyl was a personal producer and supervisor in several of the largest agencies.

J. Allan Hunter, formerly a home office field supervisor, becomes manager of the Springfield agency. A graduate of Middlebury College, he joined the Phoenix Mutual in 1931. Since then he has received valuable training in selling, sales supervision, and management. For the past few months he has been supervisor of the Syracuse agency.

### Oaks Goes to Syracuse

C. K. Oaks, for many years a member of the home office agency in Hartford, and more recently of the New York Rector agency, moves up to manager of the Syracuse agency. He joined the Phoenix Mutual immediately after his graduation from Colgate in 1922.

P. J. Philpott, an agency assistant at the home office since January, 1936, is advanced to manager of the New York Rector agency. Mr. Philpott had a background of 17 years' successful sales experience in other lines before joining the Phoenix Mutual in 1934 and since then has received valuable training as a supervisor in two of the New York agencies and in Detroit.

E. H. May is advanced from supervisor in the Hartford branch of the home office agency to manager and Kenneth Catlin is advanced from supervisor of the New Haven branch of the home office agency to manager. Mr. May has been supervisor of the Hartford branch since 1929. He was formerly a personal producer and supervisor in the Rochester agency and has been in charge at New Haven since the first of this year.

P. T. Hammonds, who has been supervisor of the Portland, Me., agency since September, 1935, is promoted to manager. He received his early training in the New York downtown agency and later did supervisory work in several large agencies. He is a graduate of Penn State and previous to joining the Phoenix Mutual had seven years' experience in sales and sales management work.

### Morris Made General Agent

J. Everett Morris has been appointed general agent of the Berkshire Life for Rhode Island, with headquarters in Providence. He has been assistant general agent of the Berkshire in Providence for the past seven years. Before that he was for five years with the Maurice Stearns ordinary agency of the John Hancock in Providence. He has made an excellent record in personal production.

### Lipscomb to American Life

E. T. Lipscomb, who has been general agent of the American United Life in Detroit, has been appointed general agent of the American Life for Detroit and vicinity and has moved his entire agency personnel to the American Life building.

Mr. Lipscomb has been in the busi-

ness ten years, starting with the Johnston & Clark general agency of the Mutual Benefit in 1927. In 1932 he joined the Sun Life and in 1934 was appointed general agent for the American United.

### Morrissey, Jr., to Ottumwa

L. M. B. Morrissey, Jr., Davenport, Ia., has been appointed district manager of the Phoenix Mutual Life at Ottumwa, Ia., covering a large part of southeastern Iowa. His father is manager of the Phoenix Mutual in Davenport.

### Thompson Made Supervisor

T. A. L. Thompson has been appointed by R. C. McCroskey, general agent, as supervisor in charge of new production for the Spokane agency of the Penn Mutual Life. He has been with the Spokane agency since 1933.

### Popescu Named Manager

P. C. Popescu, for 17 years associated with the City Trust & Savings Bank of Youngstown, O., as a branch manager, has been appointed manager northeastern Ohio agency Ohio National Life.

### Editor Goes into Field

H. H. Hoeffle, editor of "CLAS," publication of the Central Life of Iowa, for several years, who formerly served in

the agency statistical and records division and agency sales department, has been transferred at his request to Whittier, Cal., as district agent. He becomes associated with the A. B. Olson agency. Mr. Hoeffle sold considerable insurance outside of office hours preparatory to entering selling work.

### Horton Made Supervisor

Lester Horton has been appointed supervisor in the J. A. Ramsay agency of the Connecticut Mutual Life in Newark. He has been in life insurance about five years and before joining the Ramsay agency was with the Penn Mutual Life in Newark.

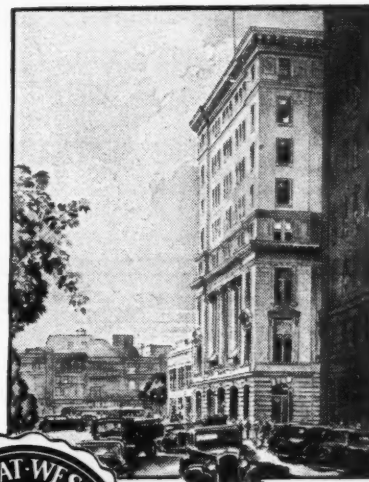
### Talks to Lewis Agency

F. M. Minninger, Jr., Newark manager Connecticut General Life, spoke at a meeting of the F. H. Lewis agency of the Massachusetts Mutual in that city on "Romance in Records."

### Hepler Goes to Home Office

C. W. Helper, who has been agency supervisor for the northwest department with headquarters at Seattle for the Provident Life & Accident, becomes special representative working out of the home office. He is assigned to special agency and development work in the

*A Policy  
for  
Every Person  
and Purpose*



FOUNDED



IN 1892

## 45 Years of Public Service

"Forty-five years of public service" is approximately one-quarter the age of Life Insurance as an institution, and can probably be regarded as the life-span of the Life Insurance of today. During these forty-five years, the Great-West Life has grown phenomenally, and its strength has grown in proportion to the amount of its Life Insurance in Force. In lives insured, in amount and diversification of assets, in financial position and in service to policyholders, this company is among the giants of North American Life Insurance. Through its widespread agency organization, it offers "a policy for every person and purpose."

**THE GREAT-WEST LIFE ASSURANCE COMPANY**

HEAD OFFICE • WINNIPEG, CANADA

ASSETS - - - - - \$150,005,674  
INSURANCE IN FORCE - - - - - \$575,844,591

## MUTUAL TRUST

LIFE INSURANCE COMPANY

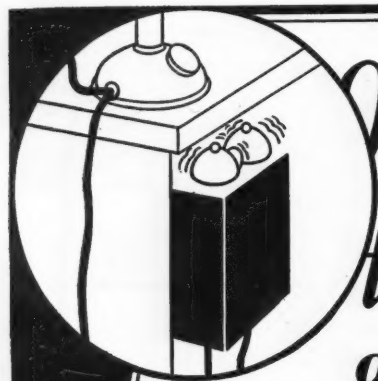


Ranks with the oldest and largest mutual legal reserve life insurance companies in plan of operation and ratio of reserves to assets.

OPERATES BOTH EAST AND WEST

Three per cent net level premium participating policies for men, women and children.

NOTHING BETTER IN LIFE INSURANCE



*We want to  
talk to you...  
at once*

**IF** you can show a record of \$100,000 of paid-for personal production for the past year;

you feel there is no further opportunity for growth in your present condition;

you live in either Pennsylvania, New Jersey, Rhode Island, Maryland or Delaware and

you have family responsibilities.

If the four items mentioned above describe your present condition, then you are the man we are looking for. The Bankers National Life Insurance Company can offer to men of this sort the chance of a lifetime to have a successful general agency.

Interest you? Can you meet the qualifications? Then write to William J. Sieger, Vice President and Superintendent of Agencies, for the complete story of this exceptional opportunity.

**BANKERS NATIONAL  
LIFE INSURANCE COMPANY**

Montclair,

New Jersey

middle west. J. T. Butcher succeeds him. He has been an agent.

### Walling with Fidelity Union

C. H. Walling, Austin, Tex., who has had several years experience as a personal producer and as agency manager, has been appointed central Texas agency supervisor for the Fidelity Union Life of Dallas.

### West Coast Life Appointments

J. W. MacFriedies, formerly manager of the army department of the Great American Life of San Antonio, has joined the San Antonio agency of the West Coast Life, and will be special army representative, specializing in the outlying posts. He will have headquarters in San Antonio. Ted Voigt, who has been manager of the San Antonio

agency of the West Coast Life and manager of the army department for the south, has been appointed manager for south Texas and remains in charge of its army department for the south.

### AGENCY NOTES

H. L. Swenson, district representative Equitable Society, has been transferred to Dubuque, Ia.

C. F. Edwards, formerly with the Columbian National Life, and for the past year manager of the life department of the Mann, Barnum, Kerdolff & Welsh agency, Kansas City, will leave for Los Angeles Dec. 1 to be associated with the southern California agency of the Columbian National.

Alex L. Gerry, formerly with the National Life at Duluth has been appointed special representative of the Connecticut Mutual at Weslaco, Tex.

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### Changes to 3 Percent Basis

Midland Mutual Adopts New Jersey Standard on All Policies Issued After Jan. 1

All policies of the Midland Mutual issued after Jan. 1 will be on the New Jersey standard with 3 percent interest instead of the present 3½ percent basis. Sharp reduction in interest rates during the last six years now appears to represent a long-time trend rather than a temporary recession, President G. W. Steinman explains. Net interest earnings of the 25 large life companies in the United States show decrease from an average of 5.24 percent in 1931 to 3.76 in 1936.

"The slight increase in the rate earnings for the year 1936 will probably not be repeated in 1937 because it generally represents past due interest collected in 1936 because of more favorable business conditions in that year," he said. "In the past five years many participating companies have changed from a 3½ percent to a 3 percent reserve basis. It is estimated that more than 90 percent of all participating life insurance in this country is now being written on a 3 percent or 3¼ percent basis, only two companies having adopted the 3¼ percent rate.

### Rates Go Up Slightly

"This change will result in slightly increased gross premium rates. However, the larger cash values and higher dividends will enable the company to show favorable net premiums and cost. Other participating companies making this change in recent years have found the new policies advantageous from a sales standpoint; the policyholder gets an improved contract at a slightly higher premium and the agents' commission will be larger because of the increased premium. We therefore regard this change as a forward step in the advancement of this company and to the best interest of all concerned."

The rate book revision and changes in dividend schedules and policy forms is being rushed. Shortly before Jan. 1 a new set of working tools will be distributed to agents, President Steinman said.

### American Life Changes

The American Life of Birmingham, Ala., has revised its rate book. This company writes regular non-participating, non-participating guaranteed premium reduction and regular participating insurance. The rate book covers retirement contracts with and without insurance, long and short term, modified

(one-half) premium to 60, juvenile, preferred risk and regular class policies.

Premiums and values are revised for life policies with less than 20 premiums and endowments maturing before 85 as well as life expectancy term. Regular life and term are unchanged. The revised premium rates per \$1,000 are:

Age	Modi- fied Life	20 Yr. Age Expec- tancy	End. Life at 60	End. Annu. at 60
15	\$12.28	\$41.85	\$15.03	\$9.58
20	13.38	42.07	17.14	10.43
25	14.72	42.29	19.87	11.40
30	16.32	42.69	23.57	12.97
35	18.25	43.54	26.77	14.81
40	20.56	45.11	26.32	17.83
45	23.22	47.74	27.74	21.91
50	26.10	51.91	26.50	28.11
55	34.40	58.37	102.96	37.54
60	46.77	68.13	50.35	125.71

\*Half premium to age 60 (ages 15-50); for 10 years (ages 51-60).

### Aetna Life Dividends

The Aetna Life has voted to continue its present dividend scale for next year. The rate of interest allowed in the participating department on the proceeds of policies left with the company and on dividend accumulations for all payments falling due in 1938 will be 3½ percent, which is the rate allowed in 1937. The same rate of interest of 3½ percent will be paid in the non-participating department on funds held by the company.

### Holladay Gives a Dinner to Over 400 Policyholders

Charles F. Holladay, general agent of the Kansas City Life at Dodge City, Kan., is a live man in his locality. The other evening he decided to give a dinner to a number of policyholders, there being 412 present, the feast being served in the Presbyterian church. It was an unusual occasion and in honor of the fine work that Mr. Holladay had done, there went from the home office President D. T. Torrens, Secretary C. N. Sears and Educational Director Walter Cluff. All of these gave talks. Mr. Holladay presided and introduced Roy Sorem, agent at Jetmore, Kan., and Charles F. Holladay, Jr., whom he characterized as "partner in training." Mr. Torrens dwelt largely on the investments of the Kansas City Life. Mr. Sears reviewed the history of the company, outlined its policy and especially that concerning its policyholders. Mr. Cluff applied life insurance to the home and explained the different ways through which it tied up with protecting the household.

The Illinois insurance department has ordered the dissolution of the Iroquois Mutual Benefit of Springfield, Ill., formerly of Watseka. Last June the Iroquois Mutual Benefit was reinsured by the Commercial Life.



## INDUSTRIAL FIELD NEWS

### Actuaries Laud New Policy

Commentators at Chicago Meeting  
Find Industrial Contract Now in Use  
Is Streamlined

At the meeting of the American Institute of Actuaries in Chicago, considerable discussion took place concerning a paper, "The New Industrial Policy," that had been submitted at the previous meeting by Frank D. Kineke of the Prudential.

A discussion of this subject that had been prepared by S. Z. Rothschild, Sun Life of Baltimore, was read.

He referred to the fact that the Prudential's new policy avoids use of the old sound health clause by making a copy of the application part of the policy as in ordinary insurance. The Sun Life, he said, requires that the assured be alive when the policy is issued and provides for return of premium if it develops, within the contestable period, that the assured has received serious medical treatment two years before the issuance of the policy or if it develops that he had been rejected for insurance within three years prior to the issuance.

The modern industrial policy, according to Mr. Rothschild, is more liberal than the ordinary form in respect of contestability.

The provision in the Prudential policy for an increase in premium at the end of the fifth year would not be utilized by a non-par company, Mr. Rothschild observed. He said under this plan there would be an adverse effect if the premium had to be increased at a later date. Such a contingency is not likely with a participating company, however, he admitted.

As to the facility of payment clause, Mr. Rothschild said Sun Life and a number of other companies provide for the designation of a beneficiary but include the facility of payment clause as well. The Washington, D. C., commissioner requires that the named beneficiary receive the proceeds if that beneficiary presents the claim within 15 days after the death of the insured. The laws in Pennsylvania and Illinois were changed in similar fashion, but giving the designated beneficiaries 30 days to make claim. The Pennsylvania law now restricts the class of beneficiaries that can receive benefits under the facility of payment clause by removing the "or to any other person," phraseology. New laws in Maryland, Pennsylvania and Illinois require giving cash values after five years.

**Decided Trend Seen**  
There is a decided trend, he said, to grant cash values after five years and automatic nonforfeiture values after three years. The so-called previous insurance endorsement is now prohibited in Pennsylvania. Under that clause, the company was privileged to return the premium when a policy was not endorsed

so as to refer to other insurance carried in the same company.

In many respects, Mr. Rothschild concluded, the new industrial policy exceeds in liberality that of ordinary insurance.

J. D. Buchanan, London Life, said that his company designates the beneficiary where it is desired, but he said that the facility of payment clause is useful. It is utilized in a limited number of cases. Where it is utilized, it is very helpful, he declared.

The granting of extended insurance in the early years should prove helpful, he said. In the Prudential it is granted after six months. This will help to keep much business in effect.

C. A. Taylor, Life of Virginia, said industrial insurance is a good article. It is better than ordinary insurance in many respects.

The modified life form that the Prudential introduced, he said, is not very safe for non-par companies. The trend in non-par companies is towards lower rates through reduction in expenses and savings in mortality, he declared.

Most of the attacks on industrial insurance, he declared, have been unfair. With the new liberalizations crystallized into statute, he expressed the hope that these attacks will die out.

A representative of Metropolitan Life said the most important changes have been those for designation of the beneficiary, liberalizing the contestable provisions and extending nonforfeiture benefits.

### Observes Silver Anniversary

M. J. Foley, superintendent of the Prudential in Albany, N. Y., observed his 25th anniversary with the company. A number of home office representatives were present and a dinner closed the celebration. He has been in central New York for many years and is well known there.

### Wiesner Sioux City Assistant

C. E. Wiesner, formerly with the Metropolitan Life in Omaha, has been promoted to assistant manager in Sioux City, Ia.

### Seattle Agency Wins Honors

The E. H. Small agency of the Lincoln National Life in Seattle has been named "most progressive agency" of the company for the first nine months. The J. H. Geer agency of Akron, O., was runner-up for this honor. Both agencies maintained the rating they held at the half-way mark in the year. In third place was the R. E. Murphy office of Sacramento, Cal.

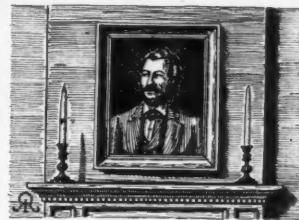
### Analyze Rental Income

An analysis of rental income from 25 Iowa and Nebraska farms has been prepared by the Farmers National Company, 388 Brandeis Theater building, Omaha, Neb. The operations for a year showed a 534 percent income.

### National Negro Collection Month Set for December

G. D. Rogers, president National Negro Insurance Association, has designated December as "National Negro Collection Month" for those companies writing industrial business. He feels that the field men should be able to collect during December no less than 110 percent of the total debit.

National Negro Health Week has been set for April 3-10. Dr. R. L. Brown, medical director Afro-American Life of Jacksonville, Fla., and fourth vice-president of the association, heads the committee on health week. The Excelsior Mutual Life, 818 Good street, Dallas, and the Provident Home Beneficial, 1732 Christian street, Philadelphia, have joined the National Negro Insurance Association. H. Strickland is president of the former, and R. A. Cooper of the latter.



*A Great Grandfather*

Like many other great grandfathers in the Middle West, he relied on the Saint Louis Mutual Life Insurance Company to provide for those dear to him after he passed on. His son and his grandson, each in turn, enjoyed a secure investment with this company.

For 80 years the Saint Louis Mutual Life Insurance Co. has staunchly stood the test of trying times and major crises. Today, as always, we temper progressiveness with sound, conservative principles.

There is a better future in a company with a good past.



**SAINT LOUIS MUTUAL  
Life Insurance Co.**

ST. LOUIS, MISSOURI

F. H. Kreismann, President

*Modern Life Insurance Since 1845*



**BACK** of the Mutual Benefit man stands a home office with a proved ability to cooperate in the drafting of even minute details of an individual life plan. Back of him also stands a record of stability and fair dealing—a record of sound protection and liberal treatment. The Mutual Benefit has always been more liberal than any insurance law required. Of its own volition the Mutual Benefit pioneered the Principle of Retroaction, which extends so far as possible all new benefits to old policies, making them in effect as modern as the newest.

**The Mutual Benefit  
LIFE INSURANCE COMPANY**

Newark, New Jersey

## AN "APP" A DAY the UP-TO-DATE CALEMETER WAY

Picture this:—

- A thrilling new approach that gets immediate attention
- A new sales appeal that makes your prospect eager
- A sure-fire medium that clinches sales

That's why enterprising agents and agencies are flooding us with orders for this more beautiful, more powerful

NEW!

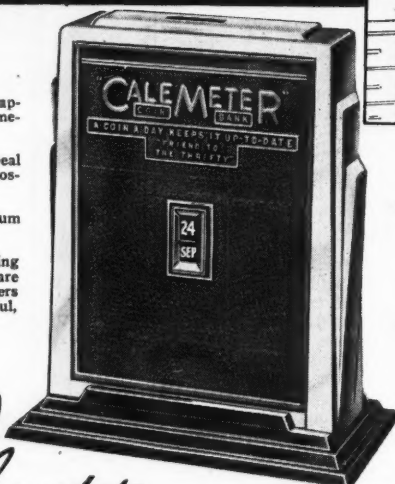
**ESTATER**  
*Calemeter*

Flash Calemeter on the prospect who says he can't afford more insurance and you "knock the skids from under" his argument—for you show him how a dime or a quarter a day keeps the calendar up to date, financing a \$1,000 to \$5,000 policy out of spare change that is never missed. Calemeter is a big lever to secure educational and juvenile business, because parents welcome this striking plan for teaching children the importance of saving. Set an App-A-Day Goal for yourself with Calemeter. IT WORKS! IT PAYS!

EXECUTIVES: Send for samples and details of our Co-operative Plan and the savings you can effect for your agents. Sample Estater, \$1.25 postpaid, complete with Sales Talks, Ideas and Suggestions. Write TODAY.

Manufacturers and Licensees

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A Coin a Day  
Keeps the  
Calendar Up to  
Date

For  
Dimes  
or  
Quarters  
Miscellaneous  
Coins  
and Bills

It's time  
to think  
of Christ-  
mas Gifts,  
so what  
could be  
more ap-  
propriate  
for build-  
ing good-will, with  
a promise of sure  
returns, than a  
Calemeter Calen-  
dar Bank for your  
good clients and  
hot prospects.  
Write for details.

## COUNTRY LIFE'S RECORD IS OUTSTANDING

— in —

**Rapid and Sound Growth  
Excellent Investments  
Low Mortality  
Low Overhead Cost**

The Company's low lapse experience is proof that policyholders appreciate all these features.

**COUNTRY LIFE  
INSURANCE COMPANY**

608 South Dearborn Street  
Chicago, Illinois

## NEWS OF LIFE ASSOCIATIONS

### Finds Conditions Are Good

**Manager Murphy of Baltimore Tells Indianapolis Association of Increased Income Trend**

Salesmen who are determined to succeed and take advantage of markets created by increased income in many lines are selling goods and services in big volume this fall, said J. S. Murphy, manager Union Central, Baltimore, in an address before the Indianapolis Association of Life Underwriters. Mr. Murphy has developed several life agencies in large cities and maintained outstanding growth the past eight years. He was introduced by O. D. Pritchard, Indianapolis manager Union Central.

### Avoid Negative Thoughts

"The salesman and life underwriter first must be convinced of the possibilities of his market in order to succeed," Mr. Murphy said. "He must not be influenced unduly by negative conditions—war talk, politics, the stock market, or other general factors, if he hopes to sell his customers."

"Statistics indicate that, even though there are negative factors, income in the United States has increased considerably in 1937, and this autumn over a year ago. In several lines income is the best for several years."

"Here are some typical figures: Farmers will average \$24,000,000 a week in income this fall, 15 percent over 1936, the best since 1929; factory workers will make \$50,000,000 more per week than in 1936, 30 percent over 1936, and the best since 1929; dividend checks will provide an income of \$10,000,000 more per week than in 1936—an estimated total for the year 1937 of over \$4,000,000,000 in dividends and 13 percent ahead of 1936—the best since 1931. These increased incomes create markets for the seller of goods or services in many lines."

"But, the business man or the salesman who expects to get his share of this increased market must work and be organized to make the most of the opportunity. He must want success so much that he will not just sit, but he will go out and get up against the bumps of tough business and come through with the order."

President W. J. Greener introduced members appointed on National Association of Life Underwriters committees by O. Sam Cummings of Dallas, president.

### Louisville Sales Congress Is Being Held This Week

LOUISVILLE, KY.—The Louisville Association of Life Underwriters is holding its annual sales congress, Friday at the Brown Hotel. Representatives of the associations at Ashland, Lexington, Paducah, Indianapolis, Cincinnati, Nashville, Bloomington, Ind., and Dayton, Ohio are attending.

Speakers, their general theme centered around the work of programming small insurance estates, will include E. B. Stevenson, Jr., vice-president National Life & Accident, on the "Why and Who of Programming"; C. Vivian Anderson, Provident Mutual Life, Cincinnati, on "The Program Interview"; Harold J. Cummings, vice-president and superintendent of agencies, Minnesota Mutual Life, on "Saedi"; Ray F. Hodges, general agent Ohio National, Cincinnati, "Servicing Programmed Policyholders"; and C. J. Zimmerman, Chicago, general agent Connecticut Mutual Life, on "Closing Tactics."

J. Colgan Norman, president of the Louisville Association will preside.

Rochester, N. Y.—At the luncheon Nov. 18 Paul Grove of Washington, special agent Home Life, will be guest speaker.

### Worthington in Address

**Agency Superintendent of the Home Life Gives Talk Before the District of Columbia Life People**

W. P. Worthington, superintendent of agencies for the Home Life of New York, addressed the Life Underwriters Association of the District of Columbia Nov. 4 in Washington, D. C. In introducing his subject, "Program Selling," he told the life men that "there is no such thing as an unplanned life insurance estate, regardless of how much insurance a man owns. It is always a question of who plans it, who makes a program of it, and when."

Mr. Worthington pointed out that when life insurance was paid either to a man's beneficiaries in the event of premature death, or to himself in his old age, the money is to serve the essential needs at that time; and how that money serves depends upon planning—it can be indifferent planning, desperate planning, or careful, deliberate planning that gets the most out of a man's insurance estate for himself and his family if he plans now. Mr. Worthington contended that the need for planning demanded the able counsel and guidance of underwriters and that they, through training, could bring their profession of selling life insurance to a higher plane of appreciation and respect than they had ever before enjoyed.

Mr. Worthington analyzed the essential steps in the conduct of the required two-interview sale in order that the full effect of program selling be allowed to function. His specific examples were taken from a review of his company's experience with planned estates, the programming system that has been in continuous effect with the Home Life since May, 1933.

### Claris Adams to Speak

COLUMBUS, O.—Claris Adams, president of the Ohio State Life, will be the luncheon speaker at the seminary here Nov. 11 under the auspices of the Columbus Life Underwriters Association. R. C. Gauch is president and will preside, and W. P. Stagg is chairman of the committee in charge of the sessions. "Are the One's and Two's Beneath Your Dignity?" is to be the general theme. Speakers include Miles Loving, E. C. Danford, C. C. Wharff, S. R. Henderson, H. O. Tice and Emmett Millholland. Among the topics to be discussed are "Selling to Women," "Selling the Young Man His First Policy" and "Consecutive Weekly Production." Mr. Adams' topic is "Life Insurance in 1938."

### Eteson Talks in Texas

J. H. Eteson, assistant superintendent of agencies State Mutual Life, will address local associations in six Texas cities on "Today's Sales Problem."

Mr. Eteson, in Texas to take part in his company's regional meeting Nov. 12-13 in San Antonio, will make his first talk in that city. Other talks will be given in Corpus Christi, Waco, Fort Worth, Dallas and Austin.

### Stresses Quality Business

SAN FRANCISCO—Quality is the greatest single factor in present day life insurance, said E. C. Sparver, Oakland general agent New England Mutual Life, at the Oakland-East Bay Life Underwriters Association and the San Francisco association at a joint seminar. Planned, conscious effort toward quality production has a direct proportionate effect upon quantity and an annual production of less than \$100,000 by an agent tends toward a high lapse ratio. Mr. Sparver said high pressure production plans including the app-a-week idea, have a serious effect on quality and lower



persistence. Quality business is the direct result of quality prospecting with knowledge of the quality factors.

Quality business begets quality business. Satisfied policyholders are repeat customers with a high resale value. Quality business produces quality income for the agent.

E. T. Starbuck, Wells Fargo Bank & Union Trust Company, discussed the use of estate problems in the writing of life insurance.

#### Cummings Talks at Fargo

FARGO, N. D.—O. Sam Cummings, president National Association of Life Underwriters, addressed 150 members of the state association and local Kiwanians, many of whom were friends when he was president of the Kiwanis International.

Mr. Cummings told the strides that had been made in the field of life insurance during the last decade and showed why the man with the rate book should be alert in grasping opportunities that are presented by the old age pension. He pointed out that in addition to the professional and other than salary groups that do not come under social security, it will provide only about \$26 for the average man who retires at 65, during the next 20 years. Mr. Cummings also stressed selling insurance for need rather than the mere writing of just another policy.

Lexington, Ky.—Almost 100 gathered to hear an address by Paul Speicher of Insurance Research & Review.

President C. H. Robie announced tentative plans for the year. Edgar Richardson, chairman program committee, introduced Mr. Speicher.

Davenport, Ia.—At a joint meeting with the Davenport Advertisers Club and the chamber of commerce, Dr. J. S. Thomas, Chrysler Institute of Engineering, spoke.

Kenilworth H. Mathus, editor of the Sales Research Bureau's "Manager's Magazine" and handbook of agency management, spoke at another meeting. The agent must first of all be deserving of prestige before he can attain it, said Mr. Mathus. He must be unselfish in his community activity and must do his job better than anyone else would be able to do it, he said.

The annual stag party is being held Nov. 5.

Lincoln, Neb.—A get-together meeting was followed by a buffet supper.

Utica, N. Y.—Chester O. Fisher, vice-president Massachusetts Mutual Life, spoke this week.

Northern New Jersey—The executive committee will consider 34 applications for membership, the largest number ever made at one time since the inception of the association, at a meeting Nov. 3 in Newark. This will bring the total membership to 350. D. B. Maduro of New York will talk on "Business Insurance." An open forum will follow.

Appleton, Wis.—Safety problems were discussed following a talk on that subject by Sergt. Carl Raedtke of the local police department.

Cleveland—Louis Behr, million dollar producer Equitable Society, Chicago, will speak Nov. 12 on "Programming." An open forum will follow the talk.

Madison, Wis.—Louis Behr, Equitable Society, Chicago, spoke at a breakfast meeting on "A Programming System for Underwriters." He discussed his sales methods that have put and kept him in the million dollar production class. Mr. Behr was a former University of Wisconsin athlete.

Syracuse, N. Y.—Lester A. Rosen of the New York agency of the Union Central Life, youngest life member of the Million Dollar Round Table, gave a talk, "As I See It." He dealt principally on personal development. Manager J. Leroy Knight of the Rochester office of the Union Central Life and some of his men attended the meeting.

Seattle—Leo C. Appleman, manager, National Life of Vermont, was nominated for president; Bert Williams, Mutual Life of New York, first vice-president; Joseph Habegger, Northwestern Mutual, second

vice-president; Alton Lonhelm, Metropolitan, treasurer, and Donald Moore, Penn Mutual, secretary. W. Z. Robinson, Fidelity Mutual, presented the nominations. The election will be held at the November meeting. "Ten Little Trifles" were discussed by Emerson Cooper, agency supervisor Equitable Life of Iowa.

Youngstown, O.—The association is sponsoring a C. L. U. course.

Fort Wayne, Ind.—A joint dinner meeting was held with the Allen County Bar Association with George E. Lackey, Detroit, general agent Massachusetts Mutual Life and chairman of the committee on cooperation with attorneys of the National association, discussing the "Kinship of the Law and Life Insurance."

Little Rock, Ark.—Clyde E. Lowry, president National Equity Life, has been elected vice-president to succeed H. A. Henderson, who recently resigned to move to Lexington, Ky. He is a former president of the Omaha, Neb., association.

Chattanooga—An ably presented skit, the appointment of three committees and a report of the Denver convention made up the program of the monthly luncheon. President John E. Gilbreath, Reliance Life, presided. The one-act play, given by Publicity Director Bart Leiper and Medical Director C. R. Henry of the Provident Life & Accident, which purported to show how a life man should not approach a prospect, was given.

New committee chairmen are D. A. Park, New England Mutual, program; E. Lee Smith, Travelers, and C. O. Stephens, Penn Mutual, attendance, and Bart Leiper, Provident Life & Accident, public relations.

Retiring president R. C. Green, Equitable of New York, gave a resume of the sales ideas which he learned at the national convention in Denver.

Central California—Arthur K. Deutsch, millionaire Equitable Society producer of San Francisco, spoke.

Oklahoma City—F. M. Bean, general agent John Hancock Mutual Life, has been appointed chairman of the general committee in charge of the sales congress Jan. 28. Miss Pearle Easley is in charge of the essay contest.

Springfield, Mass.—I. T. F. Ring, general counsel State Mutual Life, talked on "Adaptation of Life Insurance to Individual Needs."

Lancaster, Pa.—A local association has been organized here with 44 charter members.

San Francisco—John A. Grennan, San Francisco attorney, who lectures to the C. L. U. class, spoke at the Nov. 4 seminar session.

Mrs. Hazel Oppenheimer, Equitable Society; Mrs. Bruce M. Ashton, Connecticut General, and Miss Florence Calderwood, Massachusetts Mutual, spoke on their "first case" and their "most interesting case" at the luncheon meeting of the women's division, with Mrs. Jeanette Van Slyke, Pacific Mutual, as chairman.

The civic relations committee, A. K. Deutsch, Equitable Society, chairman, has been empowered to invite life companies to hold their conventions in San Francisco during the Golden Gate International Exposition in 1939.

#### Gentry Loses in Law Suit to Regain Arkansas Post

LITTLE ROCK—Although granted judgment of \$1,600 for salary due him, U. A. Gentry has failed in his attempt to regain the office of insurance commissioner from which he was displaced early in 1937 when Governor Bailey appointed M. J. Harrison to succeed him.

The supreme court this week held the legislature acted within its authority in passing an act to abolish the office of commissioner, and then to re-establish it. This was the procedure followed in Gentry's ouster, although two years of his appointment were yet to run. The emergency clause was held illegal, and judgment for salary covers the period Gentry would have held office except for the attempt to attach a clause to make the act immediately effective when signed by Governor Bailey.

# 86

## YEARS OF FAITHFUL SERVICE

### BERKSHIRE LIFE INSURANCE CO.

(INCORPORATED 1851)

PITTSFIELD, MASS.

FRED H. RHODES, President

LIFE INSURANCE

JUVENILE INSURANCE

ANNUITIES

## RE-DEDICATION\*

The half-century record of the Provident has been so characterized by justice and fairness, the protection afforded so ample and the benefits so liberal, that we who have served it, and through it the public, are proud of this record, rejoice in its success and look to its future with confidence.

RESOLVED, that we of the Provident family who have heretofore contributed to the growth of this great institution, standing here today where a past half-century of fine achievements meets a future bright with promise, joyfully celebrate this Golden Jubilee, salute the future and declare our purpose to press forward in the up-building of the Provident and the spreading of its benefits,—and to this end we now and here pledge ourselves and re-dedicate our lives.

\*Resolution adopted by enthusiastic unanimous vote September 15 at the Golden Jubilee Convention of the

### PROVIDENT LIFE and ACCIDENT INSURANCE COMPANY

CHATTANOOGA • TENNESSEE

# We Have AN INCOME-PRODUCING OPPORTUNITY FOR YOU, TOO



**MARCEL DREYFUS BUILT HIS  
COMMONWEALTH LIFE AGENCY  
TO A \$1,500,000 ANNUAL BASIS  
IN ONLY FIVE YEARS AT  
YOUNGSTOWN, OHIO**

The Steel Mills and Banks were closed in 1932 when Mr. Dreyfus opened his Commonwealth Life Agency. Even the insurance company was unknown in his city. These would seem to be crushing handicaps to most persons. But he knew that there was one great factor in his favor—the support which Commonwealth Life gives its men to build profitable agencies—quickly.

You can climb just as high with this helpful, growing company. For full details write

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VICE-PRESIDENT  
MANAGER OF AGENCIES

**COMMONWEALTH  
LIFE INSURANCE COMPANY**  
Home Office - LOUISVILLE, KENTUCKY

## LIFE SALES MEETINGS

### Shenandoah Life Convention

Manager Verne B. Travis at Richmond, Va., Held an Enthusiastic Meeting of His Ranking Agents

The annual sales conference of the Richmond, Va., branch of the Shenandoah Life was held at Richmond, Va., last week. Field representatives from the 40 counties under the jurisdiction of the branch were in attendance at the meeting in charge of Branch Manager V. B. Travis. Vice-president Charles E. Ward and Agency Manager Worley Harr from the home office were speakers at the morning session. Following a 1 o'clock luncheon, E. Lee Trinkle, president of the company, was introduced by Mr. Travis and gave an address.

October was the largest production month in the history of the office. Twenty-four out of 28 agents attended the meeting. An interesting event was the announcement relating to the annual presidential campaign for Mr. Trinkle. Agents present turned in slightly less than \$100,000 completed business during the first day of this campaign.

Verne Travis went to Richmond less than three years ago a stranger, since which time he has completely reorganized the entire plant, and geared the machinery until it is now functioning along record-breaking lines. Besides doing a real job in organization work and developing new agencies, Mr. Travis is enjoying splendid success in personal production. He is a consistent member of the "App-a-Week Club" and likewise a consistent member of the Charley Ward Club.

### Mutual Life's Richmond Meeting

J. P. Wells, Danville, Va., district manager Mutual Life of New York, was awarded a silver cup at the annual meeting of the Richmond Agency Field Club for the largest increase in amount of paid-for business for the year. Another cup went to J. R. C. Stephens, district manager at Wicomico Church, for the largest percentage of quota.

Twenty agents qualified for the Richmond meeting. E. D. Wilson, manager, spoke on "Selling Life Insurance through Programming and Tax Service"; A. L. Jeter, agency organizer, "Building Prestige without Capital Investment"; E. A. Hyman, Baltimore agency, "The Mutual Life Contract in Competition"; Gaius W. Diggs, general agent Penn Mutual, Richmond, "The Basis of All Successful Underwriting."

### Bankers Life Managers to Meet

Agency managers of the Bankers Life of Iowa will attend a meeting in the home office Nov. 16-17. There will be a business session, seminars on problems of recruiting and training, visits with company executives and an informal dinner party.

### Union Central Des Moines Rally

The Des Moines agency of the Union Central Life held a conference there under the direction of Fred Appelquist, agency manager. Home office officials attending were J. R. L. Carrington, actuary; Charles Helle, assistant secretary, and Kenneth Hammer, field supervisor.

### Celebrate 45th Anniversary

C. J. Diman, vice-president and secretary John Hancock, attended the 45th anniversary banquet of the Indiana agency in Indianapolis. D. W. Flickinger is head of the agency. W. B. Lichtenstein, unit manager of the agency, was toastmaster. An all-day sales session preceded the banquet in charge of Ray O. Woods, sales manager, and B. A. Burkart, office manager.

### Fidelity Union Life Meeting

Sales Convention Was Held at San Antonio with Starkey Duncan, Southwest Texas Manager, in Charge

A one-day sales conference of the southwest Texas representatives of the Fidelity Union Life of Dallas was held at San Antonio, with Starkey Duncan, San Antonio, southwest Texas manager, as host. The meeting was directed by L. C. Bradley, vice-president and agency manager. "Sales Problems" were discussed by Mr. Duncan under the headings of the approach, the presentation, and the close. The problem of the approach, he stated, is not peculiar to life insurance but is a problem of every occupation which men follow. The first and vital factor in the approach is the selling of self to the individual contacted. This, he said, requires that the agent shall have the courage to make an interview only under favorable conditions. Regarding the presentation, he made the point that rationalization in the interview does not cause the prospect to buy but that the emotions of the prospect must be stirred or no sale is made. Here he illustrated with motivating stories to cause the prospect to visualize future situations. The close, he said, comes easily when the feelings or emotions of the prospect are aroused.

### L. C. Bradley's Talk

Mr. Bradley stated that "Creative Prospecting" is the type of prospecting which enables a man to know where he is to go, whom he is to see, and what he is to say when before the prospect. In order that the agent may use creative prospecting, Mr. Bradley stated that it is essential that the agent study his business so that he will do the things which he ought to do. To the agent working in a new territory, he suggested the selection of a certain building or section of town for canvassing. As a basis for qualifying prospects and the building of an active file, he advised the selection of 100 names. He said that how an agent says a thing is more important than what he says. He advised that an agent classify prospects as to age, ability to pay, and needs.

Speaking on "Planning," Mr. Bradley stressed the need for an agent's planning his own work and developing his own program before he attempts to program the other man's life insurance. He described the work of the agent as the business of "merchandising life insurance," and developed the thought that as each business must have a head, so the agent must be the head of his business. That the agent may do this, he insisted upon a study and working plan to be rigidly followed, and suggested that when awake in bed at night the restless agent give his thoughts to the problems of the prospect with a view to thinking around them. A program of study and work was given as a means by which the agent builds himself up. He asked that agents learn something new each day and do some one thing better each day.

Mr. Duncan, treating the "Presentation," said that the effective presentation is the result of acquired skill. This skill he stated is best acquired under direction, but he urged that each agent analyze the results obtained and analyze his presentation, successful or unsuccessful so that he may improve his methods with a consequent profit to himself.

### Penn Mutual's Georgia School

G. D. Davis and Franklin Herb, from the home office of the Penn Mutual Life, conducted a two-day school in Savannah for 40 agents from southeastern Georgia. S. M. W. Haile is district manager there.

H. J. Crain, Lawrence Willett and

James D. Henry of Atlanta were in attendance.

### Shenandoah Men at Columbia

An agency meeting of the Shenandoah Life was held at Columbia, S. C., with Bennett Davenport, Columbia manager, presiding. President E. Lee Trinkle and Charles E. Ward, vice-president, were present from the home office.

### Equitable's Michigan Rally

Representatives of the Equitable Society in the Lansing, Mich., district, reported good production records when they attended the fall sales meeting there. R. M. Ryan, of Detroit, state manager, and C. P. McLain, state agency supervisor, also of Detroit, were the main speakers, with F. M. Wilson, Lansing district manager, presiding.

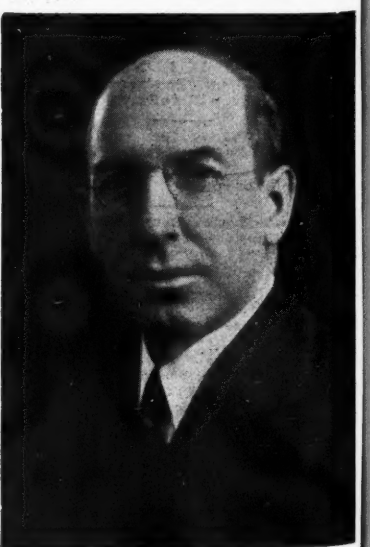
### Programming vs. Package Selling Is Discussed

Programming vs. package selling was discussed in a sales clinic of the Chicago Association of Life Underwriters. Those taking part were: R. L. Low, assistant manager Connecticut General, interlocutor; Robert Lotz, Royer agency, Penn Mutual; J. D. Martin, Woody agency, Equitable Society; P. A. Trezise, manager of Acacia Mutual; C. B. Tuttle, Thurman agency, New England Mutual; E. S. Rappaport, Pacific Mutual, summarizer. Prospecting, approach, prestige building, agent's income and agent's viewpoint were discussed. W. D. Thorsen was chairman of the panel discussion. Exhibits on programming methods were contributed by Acacia Mutual, Aetna Life, Bankers Life of Iowa, Berkshire, Connecticut General, Connecticut Mutual, Continental Assurance, Miss Agnes Bruder being in charge of exhibits.

A. E. McKeough, president, presided. He called for volunteers to augment personnel of the library committee so that approximately 400 libraries in Chicago could be covered in presenting a copy of Linton's book "Life Insurance Speaks for Itself."

In making a story out of the unusual names in the new telephone directory, a Richmond, Va., reporter noted the name of Willard Ahalt, Northwestern Mutual Life agent. So he closed the story with this sentence: "It's time to call a halt."

### Vice-President



J. S. THOMPSON

Vice-president J. S. Thompson of the Mutual Benefit Life has been elected vice-president of the Insurance Institute of America, which conducts educational insurance courses.



## Danger in Policy Options Is Seen by Company Man

(CONTINUED FROM PAGE 1)

the lapse rate, and there are many other benefits.

"But like all good things which are new and experiencing a rapid growth, programming and estate planning can go too far," Mr. Benner said. "Personally I think that we have gone just a little further than it is prudent to go in the matter of planning an estate through the medium of modes of settlement attached to life insurance contracts." He said it is common nowadays to provide settlement methods so inclusive as to attempt to provide protection for grandparents, parents, children and grandchildren born and unborn, and so complicated as to necessitate eight or nine typewritten pages to express them, and the services of a lawyer to interpret them. He exhibited one such agreement covering nine pages single space.

### Not Proper Function

"Is the agent not trying to work out a financial program for the assured that will cover all the possible financial contingencies that both of them can think of? And then does he not try to express this program in the form of a contract that will be binding upon the insurance company when, as a matter of fact, all too often the contingencies are of such a nature that they are not susceptible of being set forth in contractual form? The person or institution dealing with future contingencies, whether financial or otherwise, needs discretionary powers—not merely contractual ones. But life insurance companies do not exercise discretionary powers with their policyholders or beneficiaries. Our relations are all contractual with them. It is practically impossible to cover all the financial contingencies that may arise in connection with a man's insurance estate in a contract providing for modes of settlement."

### Cites Four Problems

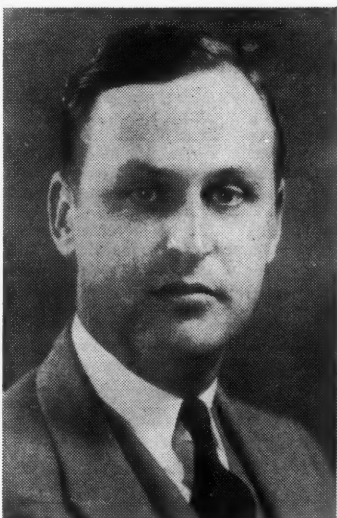
Four major difficult problems for companies in this connection were adduced: Actuarial, expense, legal and investment. The expense is a serious problem already assuming significant proportions. Whole departments are devoted to doing nothing but write and check modes of settlement. The investment problem also is huge and involves the real danger.

"Here, almost unnoted," Mr. Benner said, "forces of circumstances made possible by optional modes of settlement are forcing life companies out of their primary function of writing assurances and into the investment banking field. On a wholesale scale they are entering the investment field providing financial services to beneficiaries of policies, as well as underwriting lives. A certain entrance into this investment field is inevitable and is necessary to the efficient conduct of the insurance business. It is not necessary, however, nor in my opinion advisable under the existing laws and forms of contract being issued, for the life companies to set up machinery for investing and handling so great an amount of the proceeds which belong to the beneficiaries of their policies. Other types of institutions such as savings banks and trust companies are better adapted and more adequately staffed for this purpose than are insurance companies."

### Against Deposit Option

Mr. Benner said he was not opposed to the monthly income form of settlement for it gives the ideal protection of a sufficient income for the widow and children, but in the so-called deposit option lies the real danger. This guarantees a fixed rate of 3 percent or 3½ percent interest on funds for long periods of time. It is conceivable the going interest rate may be lower than the guaranty in future and it is a guaranty

## Honor Man



LEWIS H. HALL

Lewis H. Hall of Elizabethtown, Ky., general agent George Washington Life, is the winner of the president's loving cup and the personal producers' cup awarded by his company. The contest covered 13 states in which the company operates. It is the first time in 30 years that one man was awarded both cups. The president's cup came as the result of a contest in September. Mr. Hall had the highest percentage of personal production and his agency the highest percentage in production to the quota. The agency percentage was 113 percent compared with that of 70 percent for the runner up. His personal production was 151 percent, leading his nearest rival by 6 percent.

no trust company would be willing to make. It is, moreover, greater than large mutual savings banks are paying on funds.

The privilege of withdrawal is another bad feature. He estimated about one-third of the more than \$1,000,000,000 held under settlement options is subject to withdrawal and the tendency is for the ratio to increase. During the last two or three years, he said, the ratio on new contracts appears to be about 40 percent. In case of a cash run on life companies similar to 1933, there might be real difficulty, he said. He pointed out that commercial banks are not permitted to pay interest on demand deposits. Also it is impossible to invest funds that are likely to be withdrawn within two or three years so they can yield 3 percent, as to get this requires investment in long term bonds or mortgages.

### Sees Anti-selection

Another feature is that when the mode of settlement is left optional with beneficiary, the selection almost always is against the company. The beneficiary will leave funds subject to withdrawal only when the interest rate with the company will pay him more than he could get elsewhere, but when he can get more outside he will withdraw the funds. Mr. Benner said the company should guarantee no rate of interest on funds left subject to withdrawal. Proceeds of policies should be left under the various settlement options, but the company should not guarantee a minimum rate of interest under any circumstances on all such funds, but should provide only the interest rate earned.

W. H. Howe, for 20 years a leading life producer in Kalamazoo, Mich., until he suffered a broken neck six years ago, is back in the field again with the Continental Assurance of Chicago. He spent a year in the hospital and the last five years on his farm near Richland regaining his health.



**"HOW WOULD YOU LIKE TO BOOST YOUR EARNINGS \$78.00 PER MONTH? THAT'S WHAT THE NEW PAYMASTER PLAN HAS DONE FOR ME."**

... says Vera Campbell in a talk before our annual sales convention. Copy of talk gladly sent on request.

The Paymaster Plan is a brand new insurance plan. An insurance package! Just the benefits the greatest number of people want—at a popular price—wrapped up, easy to sell. That's what enables Miss Campbell to boost the size of the cases, making this extra money without increasing her number of sales. And she's not an exception! Others are showing an even greater percentage of increase with the Paymaster.

Write James A. Preston, Sales Mgr. for copy of the Paymaster Plan. See for yourself how it works for you.

**THE COLUMBUS MUTUAL LIFE INSURANCE COMPANY**  
COLUMBUS, OHIO



## WE GIVE THANKS

That we can provide the corner stone for your Castles-in-the-air.

That, through friendly service, we have been able to take our place among the leaders in carrying the torch of the Institution of Life Insurance.

That the years of service behind us have been honorable ones which have given us a broader, surer foundation for future years of service.

You, too, will give thanks every day if you become friendly with the

**PEOPLES LIFE INSURANCE CO.**

"The Friendly Company"

FRANKFORT

INDIANA

## WOULD NOT HALT PROPER PROGRAMMING

(CONTINUED FROM PAGE 1)

John Archibald, Bankers of Iowa, said the settlement options became too attractive. The public has taken advantage of these arrangements in increasing numbers because of the excellent record of the life companies during the depression and the fact that income settlements take care of contingencies falling a long time in the future.

### Selection Against Company

Actuaries must be on guard, he said, to avoid selection against the company so far as life income options are concerned. Pains should be taken, he asserted, to advise the agent of the kind of terms that are eschewed by the company, so that the agent can steer the prospect along lines that are acceptable to the company. Proceeds should be made payable to trustees if the assured insists on a complicated deal, he said. The Bankers, he declared, will make certain changes toward the end of this year.

## "Sweetest Income in America"

**THAT'S** what a "big time" life underwriter said of the side commissions obtainable from selling income protection.

Increasing Life writings at the same time you sell income protection depends on a plan.

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He said he has discovered that very few salesmen are responsible for the majority of the complicated requests. The situation can very often be handled, therefore, by making the situation clear to those few. A good many complicated requests are due to the imagination of the agent, he contended. Mr. Archibald had made a comparison of the life income options of 20 leading companies.

He said the general assumption has been that the rate of mortality of beneficiaries under optional modes of settlement would be higher than that of annuitants, but the fact is that the rate is just about the same as for annuities. Accordingly the life income option should be revised with that fact in mind.

R. A. Hohaus, Metropolitan Life, told of a study his company had made of the mortality experience on insured females from 1931-35.

P. C. Irwin, Equitable Life of Iowa, recalled that his company on July 1 adopted certain changes in rules which were practically the same as those recommended by the inter-company conference last February. An angle that must be investigated when these changes are made is whether they can be justified by the policy conditions. The Equitable, he said, is making certain changes in its policies to remove any doubt in that direction.

### PAPER BY WELLS

"A Rapid Method of Graduating Select Mortality Rates" was the title of a new paper presented by Edward H. Wells, assistant mathematician Prudential.

The paper treats of a highly technical subject of interest primarily to actuaries. It is well known that the rates of mortality among insured persons depend not only upon age but also upon the policy year. This is true because medical selection and other underwriting processes eliminate the poorer risks. Thus at age 45, say, there are relatively fewer deaths among a group of persons just insured than among a group insured 15 or 20 years ago, for whom the medical selection has worn off.

When actuaries compile their mortality statistics they form a square table of crude rates of mortality with age at issue along one side and policy year along the other. Ordinarily these crude rates are very irregular because of the relatively small number of policies at many ages and durations. The actuary then has to resort to some mathematical process of smoothing them out, or graduating them, so that accidental fluctuations are eliminated. This paper describes a new method of graduation which is mathematically equivalent to laying an innerspring mattress, with a coil for each age and duration, over the rough cobblestones of the crude data. The top of the mattress will then give the required smooth surface.

### UNIFORM APPRAISALS

Another subject discussed was the desirability of uniformity in real estate appraisals and the feasibility of numerical ratings for mortgage loan investment. E. McConney, Bankers Life of Iowa, defined an appraisal as a method by which an opinion of value is arrived at, and he defines value as the present worth of future benefits.

The factors involved in determining future benefits must be weighed. One of these is data about the property. Another is data about the location. This material can be broken down in many ways. The FHA has adopted these two principal classifications with a number of subdivisions.

A numerical rating scheme has certain advantages, he said. It makes cer-

tain that all the factors involved are given consideration. However, there is the danger that the weights that are applied may be wrong, which would throw the entire results off. Any numerical rating system must be tempered by experience and judgment, however.

### Use System on Grain Farms

The Bankers Life, he said, is utilizing a rating system for mortgages on grain farms. Ten points are covered and five ratings are possible for each point. The home office man reviews the report and assigns ratings ranging from A to E on the entire risk. The value of such ratings can't be determined until the next depression, he said.

A discussion that had been prepared by A. T. Maclean, Massachusetts Mutual Life, was presented.

He concluded that numerical ratings would be valuable, but only in combination with a word picture.

### INTEREST RATES

F. J. McDiarmid, Lincoln National, contributed a discussion on another phase of the general topic that was under consideration. He said that actuaries must realize that interest rates have to fluctuate. To accomplish a leveling off over a long period is difficult. It is helpful if maturity dates are staggered but then there is always the danger of refundings coming along. He said that the control of interest rates is now an important phase of public policy and low interest rates are popular. He predicted that if a few years of high interest rates are experienced, these yields will be knocked down in the next depression. It is impossible to predict interest rates, he concluded. Accordingly, he advocated that low interest guarantees be adhered to. He said that 2½ percent would be high enough for investment types of contracts, and that 3 percent should be the absolute top.

### Distinction Is Observed

In a discussion of a paper previously presented by Mr. McDiarmid, J. F. Hale, Northwestern National Life, predicted that the net rate earned on invested assets will continue to drop even though prevailing interest rates may be higher. It takes a long time, he observed, before interest rates earned approximate the prevailing interest rates. Governments and central banks, he pointed out, are exerting a big influence on business and money markets.

Another speaker took issue with Mr. McDiarmid's assumption that changes in interest rates come about slowly. The reverse, he contended, is true.

He took up Mr. McDiarmid's conten-

## Metropolitan Life Issues Valuable Mortality Study

The Metropolitan Life has issued a 600-page book, "25 Years of Health Progress" by Louis I. Dublin, third vice-president and statistician, and A. J. Lotka, assistant statistician. It gives an exhaustive study of mortality experience among industrial policyholders from 1911 to 1935. Extensive gains in life expectancy have resulted from the inauguration of the Metropolitan health and welfare program in 1911. The book shows what can be accomplished through the development of a planned and concerted program of public health activities. The studies contain the most exhaustive mortality experience ever prepared on a large group of insured persons. Much of the information has appeared in the Metropolitan's "Statistical Bulletin." Thorough studies of mortality on all the important diseases are analyzed thoroughly.

tion that a formula is needed for annual provision for depreciation. Capital losses, he observed, occur with no regularity. For a long time investment losses may be practically nil and then they descend like an epidemic. Despite the fact that the incidence of investment losses is irregular, he agreed with Mr. McDiarmid that there should be a regular depreciation provision.

He asserted that the diversification of investments by class is more important than diversification by unit.

### Always Under Pressure

He said that investment officers are always under pressure except at those times when financial affairs are critical. The investment officers were under pressure in the 1920's because of the competition for low net cost.

W. P. Coler, American United Life, declared that investment losses and gains must be taken into account in calculating interest yield. There is no standard system of tabulating gains and losses and spreading them out over a period of time.

### Status of Government Bonds

People think of government bonds as producing a low yield, he observed, but if their freedom from loss of principal is taken into consideration, the real rate of interest may be higher than that of other types of investment.

Another speaker declared that there should be no guaranty of interest rates on funds left on deposit and in any event that guaranty should not go above 2½ percent.

## We do not compete with our own General Agents BUT—

We have some open territory in western Pennsylvania, Northern New Jersey, Virginia, Indiana, and other points.

For men of General Agency calibre we have a worth while General Agent's Contract.



## Philadelphia Life Insurance Company

111 North Broad Street  
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## LEGAL RESERVE FRATERNALS

### Lutheran Brotherhood Audit

**Convention Examination by Five States Finds Society in Excellent Condition**

Convention examination by five state departments—Iowa, Kansas, Minnesota, North Carolina and North Dakota—found the Lutheran Brotherhood properly conducted and in sound condition. The report as of Dec. 31, 1936, shows admitted assets \$6,510,839, surplus to policyholders \$559,495 or \$1,206 more than the \$558,287 reported in the year end statement.

The society was incorporated June 13, 1917. The last prior examination was as of Dec. 31, 1933.

The report states that based on claims examined examiners found the society settles all just claims promptly and in accordance with policy contracts. Non-forfeitures were correctly computed. Work sheets showing total reserve obtained by the attained age method of valuation were checked and found correct.

#### Many Items Examined

Loan files were reviewed in detail, and all necessary papers including mortgage bonds, notes, abstracts, attorneys' opinions and insurance policies inspected. "These documents were generally found to be in good order," the examiners reported. "In some few instances where any of these papers were missing or discrepancies noted, they were properly accounted for or necessary adjustments made during the course of the examination. The files contain satisfactory attorneys' opinions, and where buildings constitute a part of the security, they are adequately insured with loss payable clause running to the society.

#### Investments Verified

"The bonds in the safety deposit vaults of the Northwestern National Bank & Trust Company, of Minneapolis, were counted and verified, and all interest coupons not yet due, together with those delinquent, accounted for. Deposits of bonds with the departments of insurance of Canada and North Carolina were verified by certificates of deposit."

In summary it was stated assets and liabilities were as shown in annual statements reported by the society, the accounts were correct and the business properly conducted. The examination

was thoroughgoing, the directors were told by President H. L. Ekern at a meeting last week in Chicago.

### Changes Proposed in Setup of Gleaner Life

DETROIT—A number of proposed amendments to the constitution of Gleaner Life have been announced to the membership.

One amendment changes the regular meetings from once every four years to once every two years.

Another changes the term of office of the president to two years, and provides for the appointment of the secretary and treasurer instead of their election for a definite term; another readjusts the terms of the members of the supreme council so that two will be elected at each biennial convention.

Still another gives to the supreme council authority to appoint a secretary, treasurer, and such other officers as may be necessary to carry on the business of the society. At present the secretary and treasurer are both elected by the supreme arbor.

A fifth amendment changes the maximum age at which the society may admit members from 60 to 65 years.

Amendment No. 6 provides for loans on certain old National Fraternal Congress policies which heretofore carried no loan privilege.

Amendment No. 7 provides for the change of a beneficiary in certain cases where policies have been lost and cannot be delivered to the society for endorsement. Heretofore all changes of beneficiaries, to be executed, must be endorsed upon the policy. Now, if the policy cannot be delivered for endorsement, the change may become effective by endorsement upon the records of the society and notification to the last previously named beneficiary.

Amendment No. 8 denies to the supreme council the right to review decisions made by the supreme arbor in the case of a trial of any member for offenses against the society.

#### Amend Iowa Foresters Suit

DAVENPORT, IA.—An amended petition was filed in Scott county district court in a suit attacking legality of transactions by which the Independent Order of Foresters, Toronto, absorbed the Modern Brotherhood of America of Iowa. Amount on which recovery is asked was fixed at \$375,000 plus interest of 6 percent from Nov. 17, 1931. Judge Purcell postponed hearing on plaintiff's motion to transfer from the equity to law division and on questions of jurisdiction over the six defendants. The amended petition asserts it was recognized the M. B. A. was insolvent and that a reinsurance contract was entered into with intent to defraud plaintiffs and other Foresters policyholders of \$1,000,000.

#### Oklahoma Cases Closed

OKLAHOMA CITY—In denying petition for rehearing of several suits of the state against fraternal to collect alleged back taxes the supreme court wound up the attempt to force fraternal to pay 2 percent premium tax. This litigation was started by former Governor Murray. More than \$2,000,000 potential taxes was involved. The litigation named the Woman's Benefit, Modern Woodmen, Maccabees, Praetorians, Woodmen of the World and Royal Neighbors.

#### A. O. U. W. in 69th Year

The A. O. U. W., credited with being the first fraternal society in this country, is celebrating its 69th anniversary. This order was founded at Meadville, Pa., Oct. 27, 1868, the original idea being to prevent an arbitrary strike and lockout

and to provide insurance at cost so working men could have the needed protection. Membership at first was limited to mechanics, those in the Atlantic & Great Western railroad shops at Meadville constituting the charter membership. J. J. Upchurch, master mechanic of the shops at the time, drafted the constitution and was first master workman of Jefferson lodge No. 1. The order spread rapidly throughout other shops over the country. The supreme lodge in 1873 made it possible for states having A. O. U. W. lodges to organize an independent jurisdiction when membership reached 3,000, and to pay their own death claims and manage their own affairs.

#### Explains Certificate Loans

Loans against benefit certificates either must be repaid by members or they will be deducted from death settlement, the Slovene National Benefit Society explains in its publication. The interest charge on certificate loans is 4 percent and this, too, must be paid in one manner or the other. Members insured in classes B or C can borrow from their certificates for assessments only for the mortuary and general fund. The Slovene National will make loans for no other purpose than to pay the assessments, so that it is not possible to jeopardize the insurance value by getting money for general purposes such as buying homes, cars, etc.

#### To Dismiss Missouri Suits

JEFFERSON CITY—Governor Stark of Missouri on recommendation of Superintendent Robertson, approved dismissal in federal court here of a suit started two years ago involving 14 fraternal in the state's attempt to collect back taxes alleged due. The litigation, fostered by former Superintendent O'Malley, involved about \$5,000,000 in 2 percent premium tax. The current action followed conference with Jerome Walsh of Kansas City, special counsel for the state, who acted on an opinion

## The Record Tells the Story

No Reduction in Dividends During the Depression

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Non-cancellable Sickness and Accident Insurance. Operating on a Legal Reserve Basis

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### Progress!

#### INSURANCE IN FORCE

1910 - \$476,500  
1920 - \$2,193,500  
1922 - \$3,676,500  
1924 - \$5,310,500  
1926 - \$14,898,265  
1928 - \$26,370,926  
1930 - \$37,675,188  
1933 - \$42,568,441  
To Date - \$59,372,839  
(As of Sept. 30, 1937)

Actual to Expected Mortality in 1936 was 33.44%  
Net Rate of Interest Earned 4.41%  
SOLVENCY RATIO—109.46%

## LUTHERAN BROTHERHOOD

Legal Reserve Life Ins.  
Herman L. Ekern, President  
MINNEAPOLIS MINNESOTA

by C. L. Hensen, chief counsel for the department, it was reported, that many recent adverse decisions in federal and state courts in similar cases made it doubtful the state could win. Attorney General McKittrick concurred.

### Celebrate 60 Years

ST. LOUIS—The Western Catholic Union celebrated 60 years' operations in St. Louis at a meeting attended by 1,500 fraternalists. Following a pontifical high mass, there was a breakfast and dinner. The mass was conducted by Bishop C. H. Winkelmann, member of the society. At the breakfast he urged that the 20,000 members combat communism in the United States. President William Heckenkamp, Quincy, Ill., spoke on growth of the society. Speakers at the banquet included Mr. Heckenkamp, Joseph Engelmeyer, Quincy, Ill., organ-

izer; Herman Ottens, St. Louis, trustee; Frank Fuerst, chairman St. Louis executive board, and Paul Hoegen, St. Louis, toastmaster.

### Confer on Missouri Licenses

JEFFERSON CITY, MO.—Superintendent Robertson conferred here Monday with representatives of the Knights of Columbus and Nov. 5 he will meet with officials of the Modern Woodmen, fraternal whose Missouri licenses were suspended by former Superintendent O'Malley. Mr. Robertson stated the two fraternalists asked for conferences to discuss the general situation pertaining to fraternalists. Formal applications for license reinstatement have not been made.

M. F. Napier, St. Louis, chairman Missouri Fraternal Congress, endorsed the Knights of Columbus at the hearing.

## Actuaries Want Gain Loss Exhibit Abolished

(CONTINUED FROM PAGE 1)

H. R. Corbett, independent actuary of Chicago, presented a memorial to Roger S. Vail of Chicago.

W. D. MacKinnon, Equitable Life of Iowa, reported as secretary.

A. F. Schwartz, Penn Mutual, in discussing Mr. Shepherd's paper, said the gain and loss exhibit serves the purposes of adjusting income and disbursement statements to a revenue basis, setting forth surplus changes during the year and of presenting an actuarial analysis of how the gains and losses were obtained and how disposed of.

Any substitutes to the gain and loss exhibit, he said, must take care of all three of these purposes.

He suggested that a statistical ratio be shown for each element now contained in the gain and loss exhibit and that these be in a separate schedule. Showing the gains and losses in actual dollars creates the opportunity for misinterpretation.

### Over Simplifies the Problem

The gain and loss exhibit, he declared, undertakes to over simplify the problem. He asked why the problem should be so simplified that the layman can misunderstand it.

R. G. Stagg, Lincoln National, contended that reform of the statement blank is desirable. The forms and methods of life insurance accounting have been static for a long time, he said. They are governed by nineteenth century ideas. The convention blank was frozen 30 years ago, he declared. The blank should be a moving panorama of the business, he said.

He contended that the statement should be on a revenue or true income basis. This would improve real estate accounting, would give better control of due and accrued items.

He said the fund concept might be utilized, giving a true statement for each line of business.

### Meaningless Jumble

The gain and loss exhibit being a combination of accounting and actuarial analysis is a meaningless jumble, he declared.

A change in the mortality table, he said, would not go to the heart of the problem. A radical form of treatment is needed.

He advocated modification of pages 2 and 3 of the convention blank to a true income basis, establishment of permissive use of other mortality tables than the American experience table and to set up a system of intra-company audits for the benefit of the company and insurance departments.

W. P. Coler, American United Life, expressed the belief that the purpose of the annual statement is to determine the solvency of the company and to set forth figures to be used for the publicity of the business.

Some erroneously regard the statement as an analysis of company matters for the benefit of company management,

he declared. Mr. Coler said the management should require certain reports that should not go into the statement.

The gain and loss exhibit by showing gains from mortality and interest, leads to sloppy reports on the progress of the company, he said. The statement lends itself to under estimate of assets and over estimate of liabilities in good times, as witnessed by the fact that a company under normal conditions can be sold for more than its capital and surplus.

Mr. Coler contended that if the gain and loss exhibit were modified, Mr. Bowles' purposes would be served. Mr. Bowles, he said, is really interested in having a method of portraying the true results to the public.

Among the defects in the gain and loss exhibit he mentioned the fact that there is little reference to annuities, that interest gains and losses are combined with insurance gains and losses. The gain and loss exhibit, he said, should be either abolished or modified. He said he favors substituting for pages 9 and 10 of the convention statement blank an exhibit similar to that used by fire and casualty companies.

### McBRIDE'S SUGGESTIONS

W. H. McBride, National Life & Accident, said that the essence of the financial statement must find its clearest expression in the gain and loss exhibit. He said the business cannot strive for abolition of all gain and loss exhibits. An adequate solution would be reform, thorough in extent and sound in principle. Mere improvement in mortality assumptions is no solution, he contended. Objectivity and penetration of thought is needed.

The fundamental error in the gain and loss exhibit is the false assumption that the legal criterion of solvency and premium reserve are one and the same thing. They seldom can be, he said.

An analysis of surplus changes must present facts for which absurdities are not an acceptable substitute. A comparison of fallacies can never be edifying, he declared.

A legal criterion of solvency should not be applied to the purposes for which it was never intended, he said. Any attempt to apply it to other uses is unsound and uncalled for.

### Mutual Life of Canada

Any criterion which, in its aggregate, can qualify as safe should be acceptable to all, but it never can be valid as an instrument for measuring underwriting and operating results which depend upon underwriting and operating results and not on this fiat which is applied to all.

A representative of the Mutual Life of Canada said that his company has designed a profit and loss account that brings into relief surplus items. It shows the surplus at the beginning of the year, the surplus earned, surplus dis-

tributed and surplus at the end of the year. It is understandable to the assured.

Income and outgo, he declared, must be on an earned basis and the increase in reserve included in outgo. Inasmuch as many non-admitted assets have a real market value, they should be counted, he contended. He advocated a modified form of statement.

A. N. Guerten, actuary of the New Jersey department, remarked that a revenue form of statement was adopted for title mortgage guaranty companies in New York, but the investigating committee objected to this system. He said that where a concern has large reserve requirements and potentially heavy cash demands, its cash position needs to be considered.

### Improper Inferences

The gain and loss exhibit of the life companies, he said, produces improper inferences. It is not a measure of progress of a company and does not serve as a true basis for comparison of companies. The difference in the reserve bases of the different companies and lines of business has to be studied.

Even though the gain and loss exhibit is fallacious, actuaries tend to think in terms of that exhibit. He suggested that there be a regrouping of items to show separately insurance gain and investment gain. There should be an allocation of voluntary contingency funds and gain and loss items. A basis for determining how to allocate these items must be decided upon.

Before a proposal is presented to the blanks committee of the National Association of Insurance Commissioners, he said, there should be extensive study. The gain and loss exhibit, he said, has served a number of useful purposes. The blanks committee, he declared, hasn't learned that any company is using any exhibit for internal purposes that is suitable for filing. When a change comes, it should be well thought out and should be such that it can be perpetuated for many years, he declared.

### J. F. Little Opposes Change

F. B. Gerhard, Prudential, read a paper that had been prepared by J. F. Little, vice-president and actuary of the Prudential.

Mr. Little contended that the value of the revenue basis may be over estimated. He said that he advocated a switch to that basis 20 years ago, but he is no longer so eager for a change. For one thing it would break the continuity of statements. He said that from the present statement a revenue account of income and outgo can be constructed, but the reverse would not be true.

A reasonably qualified person can get a good idea of a company's progress from the present statement blank, he said.

Mr. Gerhard made some comments on his own account. He had prepared a hypothetical conversation between an accountant and a life insurance actuary, in which the accountant was trying to probe the mysteries of a life company's statement. This was cleverly done and the audience was convulsed.

### Ignore Absurdities

Mr. Gerhard said that there is universal tendency of people to ignore absurdities of things that they have been accustomed to. Mr. Shepherd's paper, he declared, jolted the actuaries out of their complacency.

The absurdities of the annual statement blank, according to Mr. Gerhard, reach their climax in the gain and loss exhibit.

The gain from loading is not a test of efficiency of management, he said. The gain from investments gives no indication of the company's success in its investment policy. The gain from mortality is no indication of the company's ability to select. It does not constitute a comparison of a company's progress from year to year.

Mr. Gerhard observed that if a change should be made, there would be the danger that it would not be sanctioned in

all the states and the present advantage of uniformity would be lost. The companies, he declared, would shrink from the necessity of making two different kinds of statements. He said he favored gradual evolution. At first, he said, he would substitute for pages 9 and 10 an income statement and a reserve analysis.

### Comments of Edward Ruse

Edward Ruse, Confederation Life, said that the cash statement of income and disbursement hasn't embarrassed the companies, but destructive critics of life insurance have been "feeding off the gain and loss exhibit."

The time is ripe, he contended, to get rid of the gain and loss exhibit entirely. In its place a general questionnaire might be filled out. He said he favored a double balance sheet, a true income account, a change in surplus analysis and a questionnaire form to bring out certain points.

### SENTIMENT FOR CHANGE

Mr. Shepherd said that when he commenced his study three years ago, the sky was overcast. He thought he was engaging in a long time project. While his paper was in progress, the institution of life insurance was subjected to vicious attacks. He said he is surprised at the momentum that has already gathered in favor of a change. He said it appears to him that the business is thoroughly alive to the subject and the time is close when a change may be anticipated.

The business wants to be sure that it knows what it wants to do, he said. It would be well for the business to bide its time in order to get what it wants.

The business faces the choice, he said, between facilitating and guiding changes or staying off changes until something precipitates a change that then gets out of control of the business itself.

People are not so much afraid of change, he said, as of the things that may come out of change.

The attitude of the large participating companies is important. They may be slow, he said, to follow the non-participating institutions. The latter should understand the position of the participating companies and the reason for their attitude.

If the movement for a change comes too soon, there is the danger that the business will not be ready for it, he said. If those who are not ready for a change yet cannot be persuaded to endorse a revision, the wise course of action, according to Mr. Shepherd, would be to wait until sentiment has crystallized.

Better than to risk everything in advocating a complete revision of the annual statement would be to approach the project gradually. First of all, he said, the actuarial analysis item should be removed from the gain and loss exhibit. When that is done, the gain and loss exhibit more or less collapses. A separate exhibit might be set up entitled "Actuarial Analysis." There should be a modification of the change in surplus exhibit.

The entries for premiums and increase in the non-ledger assets should be brought together. He said he favors talking about "true income" rather than "revenue."

The ultimate objective, he said, should be to shift income and disbursements to a true income basis and drop the gain and loss exhibit.

### Denies Murderess Proceeds of Husband's Life Policy

Murder of her husband, J. W. Bolton, Chicago general insurance agent and former casualty company company branch manager, cost Mrs. Mildred Bolton her life insurance. U. S. District Judge Briggles of Chicago this week ruled that public policy demanded she not be awarded the \$10,000 proceeds of his policy. She is serving 199 years sentence in prison. Relatives of Mr. Bolton probably will be awarded the proceeds.



# SALES IDEAS AND SUGGESTIONS

## Some Sales Points Made at Missouri State Meeting

William Van Sickler, general agent of the State Mutual at St. Louis, in his talk before the Missouri State Life Underwriters Association said that in Missouri life insurance is the only property with which he is acquainted that creditors cannot touch. Freedom from creditors' demands is guaranteed in the policy. This is a big point and the law of Missouri is almost the same as that in other states. Speaking further as to what a life insurance policy does, he said:

### Many Expenses Eliminated

"To take advantage of all benefits, to give the policyholder and his family all of these things that are in the policy, you have to make a will by contract with the company, for your policyholder. If you do, you eliminate court costs, attorney fees and executor fees, and that amounts to about 20 percent of the amount of the insurance. "The policy is an instrument of finance, and for the man who doesn't think of life insurance in terms of what it will buy, remind him that you don't buy a paper, you buy news; you don't buy eyeglasses, you buy vision; you don't buy an awning, you buy shade. A prospect doesn't buy a life policy. He buys an education for the children; he buys a life income for his wife; he buys a pension for himself; he buys peace of mind; he buys happiness and contentment. Remember this: We represent the only institution in the world that puts a guaranteed value on money in the future."

### Uses Himself as Example

L. M. Buckley, Provident Mutual in Chicago, stressed that intelligent work plus the law of averages multiplied by intense desire equals success. He contended that any man with some knowledge of life insurance and enthusiasm who is willing to really work is bound to succeed as an agent.

Using himself as the example to prove his point, he said that during the past two years he had increased the time that he spent in the field from 12 to 16 hours per week and that he is now averaging 48 actual calls per week compared with 29 formerly. His personal production had increased in exact ratio to the gain in calls made—or 48 percent. Touching on the value of well prepared sales letters, he said that in November, 1936, he commenced sending out such a letter. His communication has gone to 1,594 persons and he has already received 152 replies and placed \$72,500 worth of new business. His commissions on the business paid for were \$441.15, which greatly exceeded the cost of sending out the letter.

### Sell the Minimum Amount

He also advised that life men endeavor to sell a prospect the minimum of life insurance he should have, rather than train their guns too high. He added that if all agents would sell prospects the minimum insurance protection the volume of life insurance in force would greatly increase and in time all charitable institutions would pass out of existence.

He revealed that he is very systematic in his own prospecting, keeping four sets of information cards on prospects, including a day by day set that he constantly carries with him, a birthday file for guidance in sending out change of ages, letters, a special premium card for policyholders, and lastly an alphabetical card contains all possible information on

each prospect. This last named list never leaves his office.

He advised an agent not to keep any prospect card more than 24 months and to throw the card away if the man hasn't been sold by that time. He revealed that he had used such a fumigation system on his own prospect list two years ago when he put the four-card system into use with very beneficial results in the way of increased commissions.

### Right Mental Attitude

He also stressed the advantage of an agent having the right mental attitude in approaching prospects and in giving proper consideration to the prospect's time.

Mr. Buckley deplored the fact that some of the men who are entering the sales end of the life insurance business are apparently not fitted to perform the important task of providing protection either through their lack of knowledge or unwillingness to work. He said in this connection that if an agent does not succeed in life insurance within a reasonable period he should get out and not hamper the sales efforts of others who are willing to pay the price of success. Touching on education for the agent he urged the reading of insurance trade publications saying "You wouldn't intrust an important operation to a surgeon who hadn't read a medical book for five years." He urged all agents to consider trying for the C. L. U. degree, pointing out that in Chicago a recent survey of the sales efforts of C. L. U. members showed they averaged \$8,510 in personal income in 1936.

### Henry North's Observations

Henry E. North, vice-president Metropolitan Life in San Francisco, said in speaking to the life men there:

"The salesman of today has to realize that he must take active steps to improve his technique, if he is going to develop better sales efficiency. There

must, of course, be a will to do on his part. Once this will to do is firmly established, there is no doubt but that the attaining of the goal can be accomplished through the checking up and the constant supervision of your own efforts.

"I think it is a mistake for men to aspire to things that are too high. If you are a man selling \$100,000 of business today, do not aspire to sell \$500,000 next year. Set a quota for yourself that is going to be within your reach, and then work like a trojan to beat that quota. In that way you will get a lot of fun out of your work.

"And let us not forget that the one great justification of our business is the service behind it. Let it be a real service that will do its job. Let it be a service that people will appreciate and that you will be proud to render, knowing that the life insurance programs you have built will be carried out to the letter and will bring health, happiness and joy not only to those who have bought them but to their families as well. Such is the service of the profession of life underwriting."

### Stresses Sympathetic Attention

Sympathetic attention stimulates prospects in selling life insurance, Prof. Hubert Greaves of Yale University told the joint meeting of the agencies committee and Supervisors Club of the Pittsburgh Life Underwriters Association. There are four requirements for success in any line of endeavor: conviction or knowledge, enthusiasm, desire to share, and persistency, said Mr. Greaves.

### Follows Up Dan Cupid

A member of the central Toronto branch of the Canada Life recently demonstrated the advantage of keeping one's eyes open for news items in the papers as a source of prospects. The representative read that six members of a dairy firm in Toronto were getting married during the next month. He was able to contact four of them. From two he secured applications totalling over \$4,000 and found that a third had phoned another life company two days before and asked for insurance. The remaining two were off on their honeymoon, but the agent intends to interview them on their return.

## C. Preston Dawson Discusses 11 Points to Watch

TORONTO—Eleven items to watch during the sales interview were discussed by C. Preston Dawson, production manager Beers agency of the New England Mutual Life in New York City at the first provincial sales congress here. In substance Mr. Dawson's points were the following:

Establish confidence and prestige. Many interviews are lost because of lack of third party influence. Material must be well organized and presented.

Follow through when meeting objections. In meeting an objection, don't stop there but keep control of the interview by continuing with, "Let me show you one of our ideas."

Determine the buyer's situation, his philosophy and his ability to pay. Don't assume that just because a man has a need that he will want to buy. Perhaps his philosophy is such that he would rather have a retirement income policy, though needing family protection. Ability to pay is vital, particularly in program selling.

Make a balanced proposal. Show the three requirements for property: value as a reserve in time of need, protec-

tion for the family, and as a retirement fund.

Use visual aids in creating interest. Prove the soundness of your proposal and of your company. Here is the point to use letters of endorsement from satisfied policyholders.

Be prepared to meet the five major arguments advanced by prospects as reasons for not buying: (a) insufficient desire. This means that extra reasons for buying must be in the agent's kit; (b) fear of a trap. Show the prospect that he can't lose whether he lives, dies or quits; (c) too costly. Minimize the cost and maximize the benefits; (d) fear of future premiums. Tell him about premium loans, paid-up values and extended insurance; (e) procrastination. Point out the dangers and costs of delay.

Recognize the power of time. Be prepared to stay with a prospect until you can give an adequate exposition of your selling points.

Make at least three tries for action. Be positive-minded.

Be enthusiastic but only in a way that is natural to you.

## Sales and Service Stressed at Huge Toronto Meeting

TORONTO—More than 1,000 agents attended the one-day provincial sales and educational congress sponsored by the Life Underwriters' Association of Toronto.

The convention was arranged by President J. S. P. Armstrong, Dominion of Canada General, and C. F. Plewman, North American Life, honorary secretary of the Toronto association.

C. Preston Dawson, New England Mutual, New York, started off the meeting with a talk on the "Approach." The day of the high pressure life insurance salesman is passed and the method should now be that of the doctor or lawyer, he said.

G. Fay Davies, agency superintendent National Life of Canada, talked on "Life Insurance Salesman, 1938 Model." A prospect, he said, should be led to regard life insurance as property and not merely protection, and should be encouraged to determine his own requirements. Old-fashioned policy selling is still important, but programming is the key of the new selling technique. This, he said, involves getting general information about the client at the first interview, and then presenting something specific at the second interview.

J. E. Kavanagh, vice-president of the Metropolitan Life, told of the progress since he first started his insurance career 40 years ago. Anyone who bought a policy at that time seemed to be doing the agent a great favor, but once the agent discovered that he was the one conferring the favor, everything was different.

### Not a Dollar Lost

Thomas Bradshaw, president North American Life of Canada, stated that not one dollar had been lost by policyholders through the failure of a Canadian company. "The life insurance business is constantly growing, not only in service to the public, but also in plans of remuneration and opportunity afforded to those connected with it. We must not belittle the importance of commissions, but before we can be of real service we must have a clear conception of our mission, a conception that is higher than the mere making of money. It is our never-ending responsibility to make such use of our insurance plans that they will fit in the best possible way the exact needs of every individual."

The afternoon was featured by a "Leading Producers' Clinic" with Thomas Dickinson, Mutual Life, as chairman.

Kenneth Brown, Canada Life, Hamilton, dealt with "Agent's Equipment, Attitude, Records and Control," urging that the personal element be kept to the fore, and that such things as policy records, commission statements, etc., be kept to a minimum. John Nettelfield, Great West Life, Toronto, said that when he had been canvassed he had noted a lack of the right kind of approach, and his success has been mainly due to finding what is most vital to the prospect. L. M. Montgomery, Sun Life, Toronto, dealt with various ways of arousing interest in insurance.

O. Sam Cummings, president of the National Association of Life Underwriters, said that better plans are being made for bigger sales. The average agent must be aided in increasing his service in the field that he can serve best. "Our big problem," said Mr. Cummings, "is increasing the income of the average man who is taking the message of life insurance to the average prospect."

## Home Office Life Underwriters to Cover Many Topics

(CONTINUED FROM PAGE 3)

Selection," F. I. McGraw, Bankers Life. Luncheon.

### AFTERNOON SESSION—2:00 O'CLOCK

Chairman, Leigh Cruess, Home Life. Informal discussion.

1. What has been the experience with juvenile risks in those companies which have written such business and what problems are presented in underwriting:

a. The special policies issued under age 10 by some of the ordinary companies, and

b. Where relatively large amounts are issued to minor sons and daughters of wealthy people?

2. Are companies willing to accept the best applicants in the following occupations at standard rates? If so, what special underwriting precautions are taken?

a. Employees in package liquor stores where no liquor is served on the premises? Is any distinction made for stores controlled by the state, such as Oregon, Washington or New Hampshire?

b. The liquor salesmen in the liquor department of a grocery or drug store

or wholesale liquor salesmen selling to grocery and drug stores?

c. The best class of liquor salesmen and beer salesmen who sell liquor or beer to inns, taverns, etc.?

3. Should an adjustment be made of standards for over-insurance for applicant subject to larger income brackets, on account of the difference between income and the amount remaining after payment of income taxes?

4. To what extent can companies select risks at standard rates among Chinese and Japanese American-born citizens of the United States including Hawaii, or Canadian born citizens of Canada?

5. When the inspection indicates that the applicant is subject to greater than average automobile accident hazard, should companies limit the double indemnity or the insurance coverage?

6. When inspections by different concerns radically differ so that one is favorable and the other is unfavorable, what practices should be followed to try to clear up the case?

7. What has been the experience of companies which have made special analyses of the business of individual agents? How far are they using such records and is the expense of such records justified?

8. Is the waiver of premium benefit justified on contracts essentially taken for investment purposes, such as retirement annuities or short term endowment policies?

9. What underwriting restrictions, in-

cluding double indemnity limits, are made for special sports hazards, such as polo players, steeple-chasers, expert skiers or men who occasionally participate in big game hunting or outboard motorboat racing?

10. Are companies insuring residents or temporary residents in Alaska at standard rates when they are otherwise first-class?

## Whatley Elected Chairman of Research Bureau Board

(CONTINUED FROM PAGE 3)

elected at the general meeting: H. T. Burnett, vice-president Reliance Life; A. B. Olson, vice-president Guarantee Mutual, Omaha; L. S. Lindsay, vice-president New York Life; Vincent B. Coffin, vice-president Connecticut Mutual, and Alexander Mackenzie, assistant general manager of the Manufacturers Life of Toronto. Dr. E. G. Simmons, vice-president and general manager Pan-American Life, was elected to serve the unexpired term of W. W. Klingman. Equitable Society, who is now in field work as Texas manager.

The directors held a special meeting and elected the following executive committee: Richard Boissard, vice-president National Guardian; O. J. Arnold, president Northwestern National; S. C. McEvenue, general superintendent Canada Life, and Mr. Whatley and Mr. Clark. The executive committee keeps in close touch with the Research Bureau at Hartford while the directors have the final say on all decisions.

L. P. Brigham, National Life of Vermont, was the chairman of the nominating committee.

A new high figure of 403 was set in registrations at the joint Association of Life Agency Officers-Sales Research Bureau meeting.

The Wisconsin Life was elected to membership in the Sales Research Bureau. J. L. Johnson, educational director, and G. R. Holdhusen, field supervisor, represented the Wisconsin Life at the meeting.

## Study Persistency of Salary Deduction Business

(CONTINUED FROM PAGE 3)

on a prospective case. He must give facts as to the stability of the firm, its age, profits, number of employees, number earning \$100 or more a month. The home office gets a Dun & Bradstreet report and if the risk is regarded as acceptable, the agent is authorized to proceed to get the franchise.

Northwestern National has adopted the general rule of requiring at least 25 employees making \$100 per month or more.

The attitude of the employer is especially important, he said. The results are likely to be poor if the employer does not enthusiastically recommend the proposition to his help. Particularly desirable is the assignment of a private room to the agent where he can solicit the employees singly.

Northwestern National requires its agents to service their cases carefully. They must make calls back, see to it that new employees are put on and watch for increases in salary.

A speaker representing a Canadian company said one problem his company encounters in the larger cases is to effect a reconciliation between the way the insurer desires to collect premiums and the way the employer wishes to pay them. The insurer desires to make one collection a month, whereas the employer may have a staggered system of payroll. The loss rate on salary allotment business is fairly satisfactory, he said, with the exception of the fact that as soon as single females get married, they drop their insurance.

A. C. Webster, Equitable Life of New York, made some comments on the persistency of business insurance. An analysis was made of issues of 1925-32.

For issues 1925-28, the continuation rate on business insurance on permanent

## Will Speak Before the Southern Underwriters



KENNETH R. MILLER, Hartford

Kenneth R. Miller, on the staff of the Life Insurance Sales Research Bureau at Hartford, will be one of the chief speakers before the Southern Home Office Underwriters which will hold its meeting at Birmingham next week.

forms was 77 and the continuation rate on the regular business involved in the study was exactly the same. Business insurance during that period on the term basis had a continuation rate of 46 whereas the other business had a continuation rate of 47.

On issues 1929-32, business insurance permanent form, had continuation rate of 64 and the other business had a continuation rate of 66. For the same period, business insurance, term plan, had a continuation rate of 35½ and the other business had exactly the same continuation rate.

Mr. Webster, however, indicated that the mortality record on business insurance was not all that could be desired.

## Auto Death Rise Unlikely to Cause D. I. Limitations

Reported increases in automobile deaths and the probability that this year will show the largest mortality in history from this cause are not likely to result in any move to exclude automobile accidents under double indemnity coverage in life policies, as is done by companies in the case of non-scheduled aviation. No matter how the automobile mortality might grow, it would hardly be considered a matter for an exclusion provision, since the hazard is one to which practically every policyholder is exposed. Rumors of such a move appear unfounded.

The theory behind excluding aviation accidents from double indemnity coverage, except scheduled flying in the case of a few companies, is that the amount of flying done is participated in by a relatively small percentage of the total number of policyholders having double indemnity and it is not fair to increase the rates of those who never fly so that the premium may be adequate to cover claims resulting from the small number who do.

Unless policyholders were to become more definitely divided into those who ride in automobiles and those who never do there would be no demand for an automobile exclusion clause for double indemnity. As far as the increase in automobile deaths is concerned, it probably indicates a wider use of automobiles rather than any tendency for the population to be segregated into automobile users and non-users.

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